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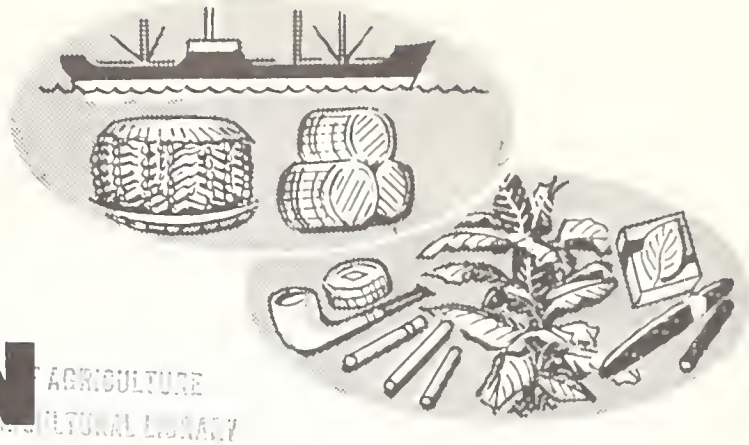

TOBACCO SITUATION

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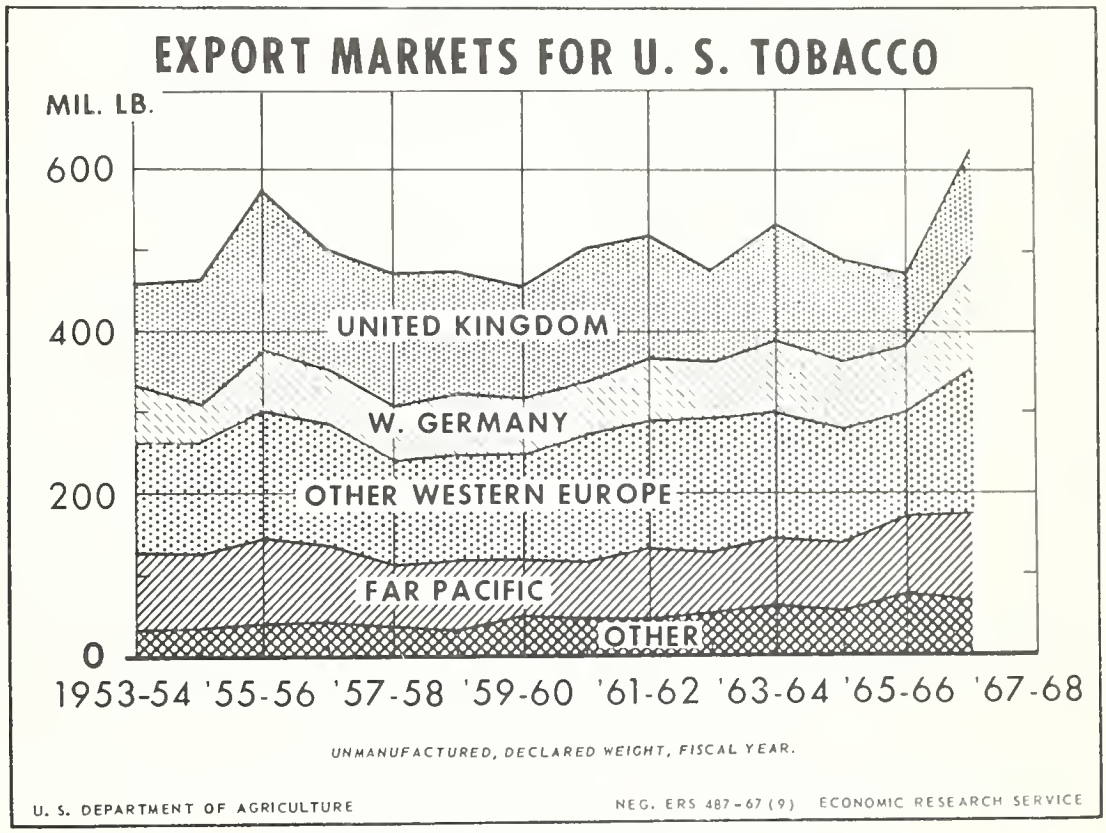
U.S. exports of unmanufactured tobacco in the year ended June 30, 1967, at 627 million pounds (export weight), were nearly a third above 1965/66 and the largest since 1919/20. Biggest increases were in exports to the United Kingdom, West Germany, and several other West European countries. Accounting for the gain were U.N. sanctions against Rhodesian tobacco, the export payment program, and improved quality of recent U.S. flue-cured tobacco crops.

In the year ending June 30, 1968, exports may be moderately below the 47-year high of 1966/67, but well above other recent years.



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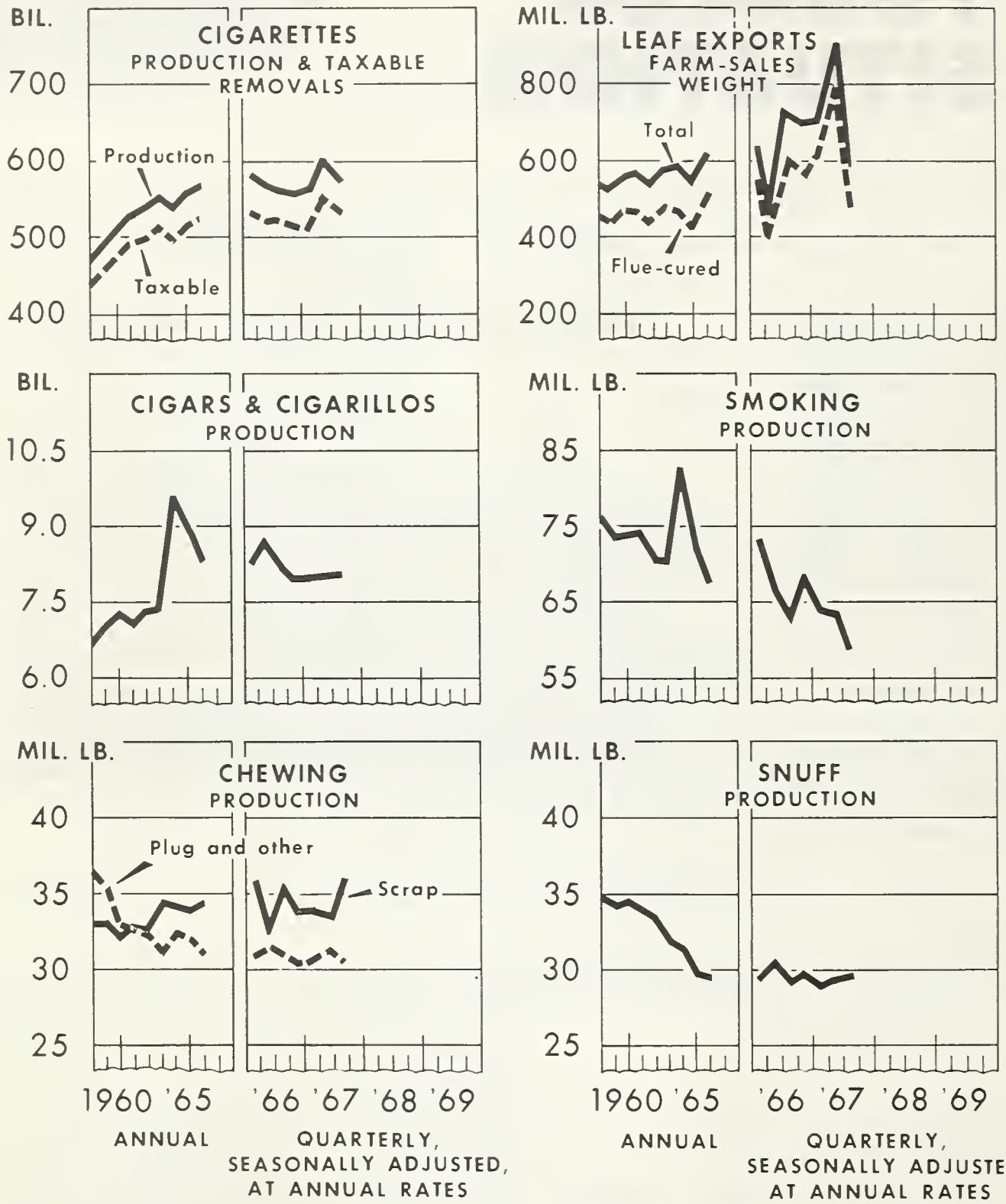
Tobacco Used for Cigarettes
Exports--Foreign Production--Imports
Leaf Supplies and Use

Published quarterly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



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THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, September 21, 1967

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SUMMARY

U.S. cigarette output--by far the major outlet for U.S. tobacco--seems likely to approach a record 580 billion in calendar 1967. This would be 2 percent above 1966 and 4 percent above 1965. Consumption by U.S. smokers (accounting for 95 percent of output) and exports (accounting for most of the other 5 percent) are running ahead of a year earlier. Total cigarette consumption by U.S. smokers (including armed forces overseas) is estimated at 551 billion--10 billion above 1966. Cigarette consumption per capita (18 years and over) in 1967 is estimated at slightly above 1966 and second only to 1963. The continuing increase in the smoking-age population and high levels of consumer income are major factors that seem likely to result in a further modest increase in total cigarette consumption in 1968.

Exports of unmanufactured tobacco--the second largest outlet for U.S. leaf--may total around 585 million pounds (about 660 million farm-sales weight)--in calendar 1967. This would be 6 percent above 1966, and the largest since 1946. The outlook for U.S. tobacco exports continues to be clouded by the uncertainty of the political situation in Rhodesia. That country normally ranks second only to the U.S. as an exporter of flue-cured, the leading tobacco in world trade. Mandatory U.N. sanctions have been in force since December 1966 and substantial stocks are accumulating in Rhodesia. The export payment program, started in July 1966, has strengthened the competitive position of U.S. tobacco. In fiscal year 1967/68, total U.S. tobacco exports may be moderately below the 47-year high of 1966/67 but well above other recent years. From a longer-range standpoint, concessions gained in the "Kennedy Round" negotiations should assist our tobacco exports (unless impaired by features of a European Economic Community common agricultural policy for tobacco now being formulated).

Consumption of cigars and cigarillos by U.S. smokers (including armed forces overseas) in 1967 is estimated at 8.1 billion--over 2 percent below 1966, and about 6 percent below 1965. The downward trend in cigar consumption that has persisted since the unusually high peak of 1964 is expected to level out in the year ahead. Total cigar and cigarillo consumption in 1968 may not be markedly different than in 1967.

Production of smoking tobacco (used in pipes and roll-your-own cigarettes) is estimated at about 62 million pounds in 1967--8 percent below 1966. No appreciable increase in production appears likely in 1968.

Production of chewing tobacco in 1967 may be around 65 million pounds--about equal to 1966. Total output of chewing tobacco, which had declined for many years prior to 1960, has remained fairly stable since then. Increases in scrap and fine-cut chewing have about offset decreases in plug and twist.

Output of snuff in 1967 is estimated at about 29 million pounds--2 percent less than in 1966, and a long-time low. Production of snuff in 1968 is expected to continue its gradual decline.

The total 1967/68 supply of U.S. flue-cured--the leading cigarette and export tobacco--is slightly larger than for 1966/67, but below that for each of the preceding 3 years. The September 1 forecast of production this season (total pounds sold and to be sold from the 1967 crop) is 15½ percent above 1966, when the crop was the second smallest in 7 years. On the other hand, the mid-1967 carryover was down 7 percent from a year earlier. The mid-1968 carryover of flue-cured tobacco may be up a little, but 1968 production likely will be smaller than this year's. The already-announced national flue-cured marketing quota for 1968 is essentially the same as for 1967; but acreage allotments and poundage quotas for individual farms will be adjusted to reflect undermarketings and overmarketings. The net effect of adjustments for previous overmarketings and undermarketings raised the total marketing quota and acreage allotment for 1967 significantly above 1966 and 1965. In 1967, overmarketings seem likely to exceed undermarketings, and the adjustments to take this into account would reduce the 1968 total of individual farm quotas below 1967. In a referendum July 18, 1967, 96½ percent of the flue-cured tobacco growers voting approved the continuation of marketing quotas on an acreage-poundage basis on their 1968, 1969, and 1970 crops.

During the 1966/67 marketing year, exports of flue-cured (over four-fifths of total U.S. tobacco exports) were record high, but domestic use was below 1965/66.

Around one-half of the 1967 flue-cured tobacco crop had been marketed by September 21. Through that date, prices averaged 4 percent lower than in the comparable period last season, but above any other year. Placements under Government loan for price support from this year's considerably heavier marketings averaged 10 percent, in contrast with less than 1 percent during the similiar period of 1966. For the 1966 season as a whole, however, nearly 7 percent of marketings went under Government loan.

Marketing quotas and acreage allotments for burley and other kinds of tobacco will be announced by February 1, 1968. Growers of burley, Maryland, Virginia sun-cured, and Pennsylvania filler tobacco will vote in referendums on whether or not they favor quotas on their next 3 crops. For fire-cured, dark air-cured, Connecticut binder types, and Ohio filler - Wisconsin binder types, growers approved marketing quotas applicable to the 1968 crop in previous referendums.

Government price support is mandatory for tobaccos produced under marketing quotas. The 1967 crop price support levels are about 2 percent above 1966. In accordance with law, the 1968 price support levels will be established by raising the 1959 price supports to match the percentage rise of the parity index from 1959 to 1965-67 (average of the 3 most recent calendar years). (The parity index measures average change over a period of time in the prices of commodities and services commonly

bought by farm families.) If the parity index continues at its August level (latest available at this writing) for the rest of 1967, the 1968 price support levels for tobacco will be 3 percent higher than 1967.

The total 1967/68 supply of U.S. burley tobacco--also a big-volume cigarette tobacco--is indicated at 4 percent below 1966/67 and 5 percent below 1965/66. The September 1 forecast indicated the smallest crop in 7 years--7 percent below 1966 harvestings. Carryover of burley at the outset of the 1967/68 marketing year is estimated to be 2 or 3 percent lower than a year earlier. During the 1966/67 marketing year, estimated domestic use of burley increased about 2 percent, and burley exports (about 9 percent of total U.S. tobacco exports) probably reached a new high.

The 1967/68 supply of Maryland tobacco may be a bit lower than the high levels of the preceding 2 years. A modest decline in carryover seems likely to more than offset the 2 percent increase in this year's crop over last (September indication). Marketing quotas on the 1967 Maryland crop were disapproved by growers in a referendum last February, consequently Government price support cannot be made available when this crop is marketed.

The 1967/68 supplies of both Kentucky-Tennessee and Virginia fire-cured tobaccos are estimated to be down 7 percent from 1966/67. Carryover of both kinds declined this past year. Production in the Kentucky-Tennessee area is estimated below that of 1966. Virginia may have a little larger crop this year than last.

The 1967/68 supplies of Kentucky-Tennessee dark air-cured and Virginia sun-cured tobacco are estimated to be down about 4 and 9 percent respectively, from 1966/67. For both kinds, carryover and production are indicated to be below a year earlier.

The 1967/68 supply of Pennsylvania cigar filler tobacco is estimated at nearly one-tenth lower than 1966/67, and will be the smallest in 10 years. Carryover may be the lowest in 7 years, and the September 1 forecast of production is only 4 percent above 1966--the smallest in 13 years. The 1967/68 supply of Ohio cigar filler is also likely to be down one-tenth to a record low.

October 1 stocks of Puerto Rico cigar filler are likely to be the smallest for that date in 5 years. The 1967 quota set by the Puerto Rican Government, if realized, would result in the 1967/68 supply of Puerto Rican filler being about 6 percent under 1966/67.

The 1967/68 supply of Connecticut Valley binder tobacco continued to decline to a new low, due to reductions in carryover and production. The 1967/68 supplies of Wisconsin tobacco are estimated to be lower than a year earlier. The crops of both the Southern and Northern types may be down 7 percent from 1966 (September 1 indication), and some decline in carryover is likely for the Southern type.

The 1967/68 supply of Connecticut Valley cigar wrapper tobacco is about 6 percent below the record high of 1966/67--mostly due to the indicated 11 percent drop in production. The 1967/68 supply of Georgia-Florida wrapper is about 4 percent above 1966/67--mostly due to a 6 percent rise in carryover.

U.S. stocks of foreign cigar tobaccos have been reduced from the high levels of 1 and 2 years earlier. On July 1, 1967, total U.S. stocks of foreign cigar tobaccos were only a little above 3 years earlier. U.S. stocks of foreign-grown cigarette tobacco were 11 percent above a year earlier and the largest for any date on record.

TOBACCO PRODUCTS

Cigarettes

The 1967 calendar year output of cigarettes is estimated at a record 580 billion--nearly 13 billion above 1966 and about 23 billion above 1965. Consumption by U.S. smokers (including armed forces overseas) is estimated at 551 billion--a rise of 10 billion over 1966. Cigarette shipments to overseas forces increased significantly during the past year. Exports of cigarettes to foreign markets this year--at about $24\frac{1}{2}$ billion--may top those of 1966 by more than 1 billion. Cigarette shipments to Puerto Rico and U.S. possessions are expected to total close to the 3.9 billion of 1966.

The continuing rise in total consumption of cigarettes by U.S. smokers largely reflects more people of smoking age, high levels of consumer income, and heavier shipments for use by the armed forces. These same factors appear likely to result in a further modest increase in total cigarette consumption in 1968.

Cigarette consumption per capita (18 years and over) in 1967 is estimated at 4,295 ($214\frac{3}{4}$ packs)--slightly above 1966 and second only to 1963, when it was 4,345. (See table 2. Average consumption per smoker would exceed this per capita measure.)

Manufacturers raised cigarette prices in early June this year. The June indexes of consumer prices for cigarettes reported by the Bureau of Labor Statistics did not fully reflect the rise in retail prices expected as the result of the advance in manufacturers' prices. The consumer price indexes for cigarettes are reported quarterly, and the September indexes will reflect the full effect of the early June advance in wholesale prices of cigarettes. The percentage rise in manufacturers' prices (less the Federal excise tax and trade discounts) was about 5 percent, and the increase in cigarette prices at the consumer level was probably $2\frac{1}{2}$ to 3 percent.

Retail prices of cigarettes in several States have risen recently, due to increased tax rates. Effective August 1, California increased its cigarette tax from 3 to 7 cents per pack; a further rise to 10 cents per pack becomes effective October 1, 1967. Illinois raised its cigarette tax from 7 to 9 cents effective August 1. Other States that recently raised their cigarette tax rates included Iowa, Maine, New Hampshire, Tennessee, and Wyoming. All States, except North Carolina, tax cigarettes. The weighted average rate of State cigarette taxes--about 7.7 cents per pack as of October 1, 1967--is 10 percent higher than a year ago. A substantial number of city and local governments also tax cigarettes. The Federal tax on cigarettes is 8 cents per pack.

Since the mid-1950's the quantity of tobacco (unstemmed weight) used per 1,000 cigarettes has declined fairly steadily. (See table 5.) The trend toward filter tips--still continuing--has been a factor in this decline. Most filter tip brands (until the fairly recent introduction of 100 millimeter lengths) had a shorter tobacco column than most nonfilter tip brands. Other major factors contributing to the decline in quantity of tobacco used per 1,000 cigarettes have been substantially greater use of processed stems (midribs of leaves), use of reconstituted tobacco sheet made from stems and small fragments of leaf, and other manufacturing efficiencies. Estimates of total quantities of individual kinds of tobacco used for cigarettes manufactured in the United States are shown in table 4, and percentage comparisons are shown in table 6.

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to: Overseas forces and other 1/	Shipments to: Puerto Rico and U. S. islands 2/	Exports
	Billions	Billions	Billions	Billions	Billions
Average:					
1950-54	414.2	377.9	18.4	1.9	15.8
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960	506.9	470.1	14.3	2.5	20.2
1961	528.3	488.1	14.6	2.8	22.2
1962	535.5	494.5	13.9	3.1	24.1
1963	550.6	509.6	14.3	3.2	23.6
1964	539.9	497.4	13.8	3.7	25.1
1965	556.8	511.5	17.2	3.9	23.1
1966 3/	567.3	522.5	18.7	3.9	23.4
1967 4/	580.0	529.0	22.0	3.9	24.5
	Fiscal year				
Year ending June					
1963	543.7	503.0	14.0	3.1	23.4
1964	535.0	495.1	13.6	3.5	23.7
1965	562.4	517.0	15.1	3.7	25.1
1966	562.7	516.1	19.7	4.1	23.4
1967 3/	572.8	524.9	20.2	3.7	23.8

1/ Also includes ship stores and small tax-exempt categories. 2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 3/ Subject to revision. 4/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-66

Year	Cigarettes 1/		All tobacco products 1/	Cigarettes (number)	Cigarettes (pounds)	All tobacco products
	Number	Pounds	Pounds	(Indexes--1957-59=100)		
Average:						
1925-29	1,285	3.56	9.68	33	38	83
1930-34	1,389	3.82	8.80	35	41	76
1935-39	1,779	4.81	9.22	45	51	79
1940-44	2,558	6.97	10.88	65	74	94
1945-49	3,459	9.38	12.46	88	100	107
1950	3,522	9.54	12.29	90	102	106
1951	3,744	9.94	12.60	95	106	108
1952	3,886	10.44	13.11	99	112	113
1953	3,778	10.37	12.95	96	111	111
1954	3,546	9.59	12.12	90	102	104
1955	3,597	9.49	11.99	92	101	103
1956	3,650	9.35	11.65	93	100	100
1957	3,755	9.21	11.44	96	98	98
1958	3,953	9.46	11.73	101	101	101
1959	4,073	9.44	11.73	104	101	101
1960	4,171	9.64	11.82	106	103	102
1961	4,266	9.84	12.00	109	105	103
1962	4,265	9.69	11.80	109	103	102
1963	4,345	9.70	11.78	111	104	101
1964	4,195	9.22	11.54	107	98	99
1965	4,259	9.32	11.47	108	100	99
1966	4,287	9.15	11.19	109	98	96
1967 2/	4,295	9.23	11.17	109	99	96

1/ The weight represents the unstemmed processing-weight equivalent of the tobacco. 2/ Preliminary estimate.

Table 3.--Cigarette exports from the United States to leading destinations for specified periods

Country	Calendar year average 1960-64	Fiscal year ending June 30			Jan.-July	
		1965	1966	1967 1/	1966	1967 1/
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Hong Kong	1,917	2,749	2,405	2,435	1,299	1,209
Spain	987	2,255	2,071	1,888	1,293	898
Kuwait	1,073	1,325	930	1,322	589	822
Netherlands Antilles	1,036	1,267	1,303	1,299	767	852
Paraguay	260	834	1,227	1,259	729	752
France	1,418	1,318	978	861	567	443
West Germany	562	544	625	712	414	526
Italy	716	689	622	682	377	458
Ecuador	448	620	683	653	330	350
Panama 2/	629	783	648	634	412	438
Canary Islands	296	522	554	580	338	359
Lebanon	1,358	568	661	507	341	273
Other countries 3/	12,357	10,912	10,230	10,043	6,405	7,165
Total all countries	23,057	25,072	23,400	23,827	13,862	14,370

1/ Subject to revision. 2/ Includes Canal Zone. 3/ Includes around 100 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

During January-July 1967, cigarette exports were 4 percent ahead of the same period of 1966. Among leading U.S. export destinations, there were substantially larger shipments to Netherlands Antilles, Kuwait, West Germany, and Italy; but sizable declines to Spain, Malaysia, France, and Lebanon. Cigarettes manufactured in this country were shipped to 118 foreign countries and territories during calendar year 1966.

FTC and HEW Recommendations to Congress

In mid-1967, as required by the Federal Cigarette Labeling and Advertising Act (P.L. 89-92, July 27, 1965), the Federal Trade Commission and the Secretary of the Department of Health, Education, and Welfare, submitted reports and recommendations to Congress on smoking and health.

Table 4.--Tobacco used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:									
1925-29	154	125	9	288	137	111	9	42	299
1930-34	192	126	10	328	170	111	9	36	326
1935-39	269	166	18	453	238	147	17	43	445
1940-44	468	248	23	739	413	220	22	45	700
1945-49	650	378	24	1,052	575	335	23	56	989
1950	698	405	24	1,127	618	358	22	64	1,062
1951	737	416	22	1,175	652	368	20	72	1,112
1952	775	435	25	1,235	686	385	23	76	1,170
1953	763	437	24	1,224	675	387	23	77	1,162
1954	707	411	22	1,140	625	364	21	77	1,087
1955	702	413	22	1,137	621	366	21	80	1,088
1956	688	418	23	1,129	610	371	21	85	1,087
1957	688	414	20	1,122	610	368	18	88	1,084
1958	712	420	18	1,150	634	374	17	100	1,125
1959	714	423	17	1,154	635	376	16	109	1,136
1960	731	437	16	1,184	651	389	16	116	1,172
1961	758	453	16	1,227	674	403	16	125	1,218
1962	745	462	16	1,223	663	411	16	126	1,216
1963	752	467	16	1,235	670	416	16	127	1,229
1964	725	455	15	1,195	645	405	15	121	1,186
1965	723	480	17	1,220	643	427	17	132	1,219
1966	708	480	20	1,208	630	427	20	134	1,211

Table 5.--Tobacco used per 1,000 cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average:									
1925-29	1.434	1.164	.084	2.682	1.276	1.033	.084	.391	2.784
1930-34	1.616	1.061	.084	2.761	1.431	.934	.076	.303	2.744
1935-39	1.637	1.010	.110	2.757	1.449	.895	.103	.261	2.708
1940-44	1.822	.965	.090	2.877	1.608	.856	.086	.175	2.725
1945-49	1.782	1.037	.066	2.885	1.577	.919	.063	.153	2.712
1950	1.781	1.033	.061	2.875	1.577	.913	.056	.163	2.709
1951	1.760	.993	.053	2.806	1.557	.878	.048	.172	2.655
1952	1.780	.999	.057	2.836	1.575	.884	.053	.175	2.687
1953	1.803	1.033	.057	2.893	1.595	.915	.054	.182	2.746
1954	1.760	1.023	.055	2.837	1.555	.906	.052	.192	2.705
1955	1.703	1.002	.053	2.758	1.506	.888	.051	.194	2.639
1956	1.622	.985	.054	2.661	1.438	.874	.050	.200	2.562
1957	1.555	.937	.045	2.537	1.379	.832	.041	.199	2.451
1958	1.515	.893	.038	2.446	1.349	.796	.036	.212	2.393
1959	1.457	.863	.035	2.355	1.296	.768	.033	.222	2.319
1960	1.442	.862	.032	2.336	1.284	.767	.032	.229	2.312
1961	1.435	.857	.030	2.322	1.276	.763	.030	.237	2.306
1962	1.391	.863	.030	2.284	1.238	.768	.030	.235	2.271
1963	1.366	.848	.029	2.243	1.217	.756	.029	.231	2.232
1964	1.343	.842	.028	2.213	1.195	.750	.028	.224	2.197
1965	1.298	.862	.031	2.191	1.155	.767	.030	.237	2.189
1966	1.248	.846	.035	2.129	1.111	.753	.035	.236	2.135

Table 6.--Percentage distribution of tobacco used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average:									
1925-29	53.5	43.4	3.1	100.0	45.8	37.1	3.0	14.1	100.0
1930-34	58.5	38.4	3.1	100.0	52.1	34.1	2.8	11.0	100.0
1935-39	59.4	36.6	4.0	100.0	53.5	33.0	3.8	9.7	100.0
1940-44	63.3	33.6	3.1	100.0	59.0	31.4	3.2	6.4	100.0
1945-49	61.8	35.9	2.3	100.0	58.1	33.9	2.3	5.7	100.0
1950	61.9	36.0	2.1	100.0	58.2	33.7	2.1	6.0	100.0
1951	62.7	35.4	1.9	100.0	58.6	33.1	1.8	6.5	100.0
1952	62.8	35.2	2.0	100.0	58.6	32.9	2.0	6.5	100.0
1953	62.3	35.7	2.0	100.0	58.1	33.3	2.0	6.6	100.0
1954	62.0	36.1	1.9	100.0	57.5	33.5	1.9	7.1	100.0
1955	61.8	36.3	1.9	100.0	57.1	33.6	1.9	7.4	100.0
1956	60.9	37.0	2.1	100.0	56.1	34.2	1.9	7.8	100.0
1957	61.3	36.9	1.8	100.0	56.3	33.9	1.7	8.1	100.0
1958	61.9	36.5	1.6	100.0	56.4	33.2	1.5	8.9	100.0
1959	61.9	36.6	1.5	100.0	55.9	33.1	1.4	9.6	100.0
1960	61.7	36.9	1.4	100.0	55.5	33.2	1.4	9.9	100.0
1961	61.8	36.9	1.3	100.0	55.3	33.1	1.3	10.3	100.0
1962	60.9	37.8	1.3	100.0	54.5	33.8	1.3	10.4	100.0
1963	60.9	37.8	1.3	100.0	54.5	33.9	1.3	10.3	100.0
1964	60.7	38.0	1.3	100.0	54.4	34.1	1.3	10.2	100.0
1965	59.3	39.3	1.4	100.0	52.8	35.0	1.4	10.8	100.0
1966	58.6	39.7	1.7	100.0	52.0	35.3	1.6	11.1	100.0

The Federal Trade Commission report covered the effectiveness of cigarette labeling, current practices and methods of cigarette advertising and promotion, and recommendations for legislation. The Commission stated "there is virtually no evidence that the warning statement [required on cigarette packages since January 1, 1966] has had any significant effect." Based on data collected from the industry, the FTC indicated that cigarette advertising promotional expenditures totaled $297½ million in 1966--about two-thirds of it for television. Among the topics discussed in the report were advertising and promotional expenditure by type of cigarette, size and composition of the audience for cigarette advertising, self-regulation of cigarette advertising, and recent surveys of opinions concerning cigarette advertising and promotion.

The Commission believes legislation should be enacted to require the warning statement on cigarette packages to read:

> "Warning: Cigarette Smoking is Dangerous to Health and May Cause Death from Cancer and Other Diseases"

Other recommendations were that this warning, and a statement of the tar and nicotine content of cigarette smoke, should be required in all cigarette advertising as well as on cigarette packages. It was further recommended that increased appropriations be made to HEW for education of the public on health hazards of smoking, and for research to develop less hazardous cigarettes, under the direction of the National Institutes of Health.

The mid-1967 report of the Secretary of HEW covered current information on the health consequences of smoking, and recommendations for legislation. The report stated that studies since the Surgeon General's 1964 report have strengthened the conclusions reached in 1964. The current report summarizes recent findings of epidemiological studies covering a more-extended period of follow-up on smokers and nonsmokers, and certain findings of a health survey about the relation of smoking and illness. Broad reference was made to experimental, clinical, pathological, and behavioral research since 1964 concerning the precise ways in which smoking affects the body.

The HEW Secretary believes the present warning on cigarette packages is inadequate, and has no impact on many young people. The HEW report states that "accumulated evidence strongly suggests that the lower the 'tar' and nicotine content of cigarette smoke, the lower the harmful effect." HEW recommends that the warning statement on cigarette packages be strengthened to state more specifically and positively that cigarette smoking is a hazard to health, and that such warnings be required in cigarette advertisements. Other HEW recommendations were that information on "tar" and nicotine levels in the smoke of cigarettes be required on cigarette packages and in cigarette advertising, and that the same requirement be applied to other agents in smoke that may be identified as contributing to health hazards.

Federal Trade Commission Testing Cigarettes

On August 1, 1967, the FTC directed that the first formal test be made of approximately 50 major brands of cigarettes to determine their "tar" and nicotine content. The tests will be conducted in the FTC cigarette testing laboratory. Tar content will be reported to the nearest whole milligram, and nicotine to the nearest 1/10 milligram. Cigarettes for testing will be bought on the open market in 50 localities throughout the United States. The Commission has determined that testing 100 cigarettes per brand will provide valid and reliable results. However, test results will be evaluated on a continuing basis, and changes in the number of cigarettes tested or testing procedures may be found necessary in the future.

The Chairman of the Commission dissented from the majority's testing procedures with respect to butt length. Under the majority's direction, cigarettes are to be smoked to a 23 millimeter butt length, or the length of the filter and overwrap plus 3 mm. if in excess of 23 mm. The Chairman would have required cigarettes to be smoked to a 30 mm. butt length, or to a length 3 mm. beyond the filter overwrap if in excess of 30 mm. One member of the Commission did not vote on the matter, because he considered the trial test of the Commission's cigarette testing laboratory not sufficient to advise what is required in this respect.

Cigars, Cigarillos, and Small Cigars

The 1967 consumption of cigars and cigarillos by U.S. smokers (including armed forces overseas) is estimated at 8.1 billion--over 2 percent below 1966, and about 6 percent below 1965. The downward trend in cigar consumption that has persisted since the usually high peak of 1964 is expected to level out in the year ahead. Total cigar and cigarillo consumption in 1968 is not expected to be markedly different than in 1967.

Cigarillos (generally averaging less than half the weight of a full-size cigar) account for a sizable proportion of total cigars and cigarillos. In each of the past 3 calendar years a little over one-fourth of the total number was cigarillo-size.

Cigar and cigarillo consumption per male (18 years and over) in 1967 is estimated at 131--about 4 percent below 1966 and 15 percent below the 25-year high of 1964. However, the 1967 estimate is about 6 percent higher than the average for the 5 years just prior to 1964.

During January-July 1967, the number of cigars selling for up to 6 cents apiece (about half of the total) declined 6 percent below a year earlier. The number selling for over 6 to 15 cents apiece (43 percent of the total) declined 4 percent but the number selling for over 15 cents apiece (6 percent of the total) rose $7\frac{1}{2}$ percent above January-July 1966.

The number of cigars coming from Puerto Rico to the mainland rose sharply from 1960 to 1966, but the sharp uptrend tapered off in 1967. Cigars from Puerto Rico account for over one-eighth of total U.S. consumption.

Imports of cigars, though small relative to total consumption, have risen in recent months, and may total 29 million in 1967--the most since 1960. During January-July 1967, nearly 30 percent of the imported cigars came from the Philippine Republic. Next ranking sources were the Netherlands, Canary Islands, Brazil, Mexico, and Jamaica.

Exports of cigars (less than 1 percent of output) have dropped this year mainly because of much smaller takings by France. Last year, cigar exports to France were extraordinarily large--accounting for over one-third of total cigar exports from the U.S. During January-July 1967, the leading destination was Canada, whose takings were over $2\frac{1}{2}$ times the year-earlier figure. Other comparatively sizable export destinations included the United Kingdom, Japan, Republic of South Africa, the Bahamas, Portugal, Panama, Bahrein, Iceland, and Kuwait.

Consumption of small cigars (about cigarette size--not over 3 pounds per 1,000) in 1967 may be moderately lower than in 1966, and the lowest in 4 years. During January-July 1967, taxable removals of small cigars were 7 percent below January-July 1966. Output in 1967 is estimated at 432 million, 3 percent below 1966.

Table 7.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Factories in the United States 1/			From Puerto Rico: taxable	Imports for consumption		Exports	Total consumption 3/
	Total output	Removals			Total 2/	From Philippine Republic		
		Taxable	Tax-exempt					
	Million	Million	Million	Million	Million	Million	Million	Million
Average:								
1950-54	5,902	5,818	83	13	15	2	4	5,925
1955	6,004	5,915	82	84	20	5	6	6,095
1956	5,998	5,863	72	93	23	4	9	6,042
1957	6,145	5,995	79	124	26	5	9	6,215
1958	6,469	6,260	87	137	28	4	9	6,503
1959	6,857	6,717	103	148	31	5	4/10	6,989
1960	6,991	6,728	105	198	32	6	4/11	7,052
1961	6,642	6,558	118	354	24	8	4/16	7,038
1962	6,684	6,442	126	483	23	14	4/19	7,055
1963	6,716	6,621	144	526	24	15	33	7,282
1964	8,736	8,122	193	809	28	13	44	9,108
1965	7,899	7,577	180	911	25	9	55	8,638
1966 5/	7,165	7,076	193	1,075	25	10	73	8,296
1967 6/	7,000	6,850	196	1,100	29	10	65	8,110
	Fiscal year							
Year ending June								
1963	6,532	6,440	139	521	23	16	4/25	7,098
1964	7,774	7,483	170	641	30	15	39	8,285
1965	8,445	7,912	176	850	25	10	45	8,918
1966	7,517	7,332	210	1,034	25	9	70	8,531
1967 5/	6,883	6,864	183	1,072	26	9	74	8,071

1/ Includes output and removals of bonded manufacturing warehouses--a category in which no facilities have been classified since February 1964. 2/ Prior to the embargo on imports from Cuba (effective February 1962), the major share of imported cigars came from Cuba. 3/ Total removals from U. S. factories plus those from Puerto Rico, and imports, minus exports. 4/ Estimated--excludes little cigars. 5/ Subject to revision. 6/ Preliminary estimates.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Buresu of the Census.

Table 8.--Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Million	Million	Million	Million
Average:				
1950-54	64.9	65.0	64.2	0.8
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.9
1961	158.2	152.9	146.1	6.8
1962	164.0	162.9	155.8	7.1
1963	281.4	272.4	264.2	8.2
1964	973.9	973.8	939.7	34.1
1965	440.7	457.8	434.7	23.1
1966 1/	445.3	452.6	435.7	16.9
1967 2/	432.0	431.0	420.0	11.0
	Fiscal year			
Year ending June				
1963	187.1	188.6	181.8	6.8
1964	913.2	881.5	865.1	16.4
1965	437.7	477.1	443.3	33.8
1966	474.7	470.8	449.9	20.9
1967 1/	420.8	432.5	419.0	13.5

1/ Subject to revision. 2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Table 9.--Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods

Period	Consumption per male 18 years and over				Per person 18 years and over
	Large cigars and cigarillos 1/		Smoking tobacco 1/	Chewing tobacco 1/	Snuff 1/
	Number	Pounds	Pounds	Pounds	Pounds
Average:					
1925-29	177.4	4.10	4.15	5.03	0.52
1930-34	125.2	2.96	4.40	3.15	.46
1935-39	120.9	2.89	4.39	2.48	.42
1940-44	118.9	2.87	3.67	2.34	.43
1945-49	113.7	2.74	2.35	2.01	.41
1950	107.8	2.53	2.03	1.67	.38
1951	110.8	2.56	1.89	1.62	.37
1952	115.1	2.72	1.80	1.58	.36
1953	115.5	2.72	1.62	1.55	.36
1954	112.8	2.64	1.55	1.48	.35
1955	112.8	2.60	1.47	1.44	.35
1956	110.8	2.41	1.30	1.36	.34
1957	113.0	2.37	1.27	1.29	.32
1958	117.3	2.45	1.37	1.23	.31
1959	124.9	2.55	1.31	1.20	.29
1960	124.7	2.42	1.30	1.13	.30
1961	122.9	2.43	1.30	1.13	.29
1962	121.9	2.40	1.24	1.10	.28
1963	124.6	2.39	1.22	1.11	.27
1964	154.4	2.69	1.42	1.11	.26
1965	143.9	2.58	1.19	1.07	.24
1966	136.1	2.41	1.13	1.05	.23
1967 2/	131.0	2.29	1.04	1.04	.23
	1957-59=100				
Average:					
1925-29	150	167	316	406	168
1930-34	106	120	334	254	150
1935-39	102	117	333	200	138
1940-44	100	117	279	189	140
1945-49	96	112	179	162	132
1950	91	103	154	134	125
1951	94	104	144	131	121
1952	97	111	137	128	118
1953	98	111	123	125	117
1954	95	107	118	120	115
1955	95	106	112	116	115
1956	94	98	99	110	110
1957	95	97	97	104	105
1958	99	100	104	99	100
1959	105	104	99	97	95
1960	105	98	99	91	97
1961	104	99	99	91	93
1962	103	97	94	89	91
1963	105	97	93	89	86
1964	130	109	108	90	84
1965	122	105	90	86	78
1966	115	98	86	85	76
1967 2/	111	93	79	84	76

1/ Unstemmed weight equivalent for cigars and finished-product weight for all others.
2/ Preliminary estimate.

Smoking Tobacco

Production of smoking tobacco in 1967 is estimated at about 62 million pounds--8 percent below a year earlier. Output has trended downward, following the 1964 upsurge associated with publication of the smoking-health report early that year. The estimated 1967 output is about 10 million pounds, or nearly 15 percent below the average output in the 5 years preceding 1964. No appreciable increase in production is expected for 1968.

Manufacturers' domestic sales of smoking tobacco in January-June 1967 were 9 percent below a year earlier. All 3 categories--pipe tobacco, granulated or sack, and cigarette cut--were down. For calendar 1967, these sales may total around 60 million pounds--approximately 5 million less than a year earlier.

Imports of manufactured tobacco (mostly smoking tobacco) in January-July 1967 were 2 percent below those a year earlier. For calendar 1967, these imports may approximate the 3-1/3 million pounds of 1966, and account for around 5 percent of U.S. consumption of smoking tobacco. Imports of smoking tobacco increased in 9 of the last 10 years. As recently as 1960, these imports were under 1 million pounds--not much more than a fourth of 1966 imports and estimated for 1967. The Netherlands and the United Kingdom are the principal sources of U.S. imports of smoking tobacco.

Consumption of domestic and imported smoking tobacco per male (18 years and over) is estimated at a little over 1 pound in 1967--about 8 percent less than 1966 and 18 percent less than 10 years ago.

Exports of packaged smoking tobacco account for a comparatively small part of total U.S. output. For calendar 1967, these exports may be up significantly from the 1 million pounds of 1966. In the first 7 months of 1967, they were 29 percent above a year earlier, due mainly to a big jump in exports to Panama. Increased quantities were also shipped to Denmark, Italy, Sweden, and Hong Kong; but there were declines in exports to Canada, Iceland, West Germany, and Switzerland.

Smoking Tobacco in Bulk for Export

The smoking tobacco in bulk export category includes specially prepared tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco (see table 10, last column). It also includes processed sheet tobacco and "blended strips" (stemmed tobacco consisting of more than one kind--principally blended flue-cured and burley). These exports have trended upwards, and in 1967 are expected to reach a new peak of around 17 million pounds--15 percent above the preceding year. Contributing to the increase has been the growing popularity of American-type cigarettes abroad. Some U.S. brands are manufactured abroad, either under licensing arrangements or by subsidiaries in foreign countries.

In the first 7 months of 1967, exports of smoking tobacco in bulk were 31 percent larger than a year earlier. Peru, Italy, and Spain accounted for nearly half of the total, each taking far more than a year ago. Increased exports also went to the Dominican Republic, Bolivia, Finland, Switzerland, West Germany, Haiti, and the Canary Islands. Smaller shipments than a year ago went to the Netherlands, Ecuador, Panama, Australia, Belgium, Austria, and Israel.

Table 10.--Smoking tobacco: Output, removals, foreign trade, and consumption, for specified periods

Period	Output	Removals 1/		Imports 2/	Exports, in packages	Total consumption 3/	Exports, smoking tobacco in bulk 4/
		Taxable 1/	Tax-exempt 1/				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1950-54	95.2	92.0	3.2	0.1	0.6	94.7	3.0
1955	80.0	77.7	2.3	.1	.5	79.6	6.2
1956	71.5	69.9	1.7	.1	.6	71.1	5.7
1957	70.5	68.7	1.7	.2	.6	70.0	4.4
1958	76.0	74.0	2.0	.4	.7	75.7	7.5
1959	73.2	71.2	1.9	.7	.7	73.1	8.5
1960	73.8	71.3	2.3	.9	.9	73.6	7.7
1961	74.2	71.4	2.5	1.3	.8	74.4	9.0
1962	70.9	68.3	2.6	1.5	.9	71.5	8.6
1963	70.4	68.0	2.2	1.6	.9	70.9	9.8
1964	82.5	79.0	3.4	2.7	1.4	83.7	12.3
1965	71.8	67.3	3.0	2.1	1.0	71.4	13.6
1966 5/	67.3	65.3	1.5	3.3	1.0	69.1	14.8
1967 6/	62.0	60.0	2.0	3.3	1.2	64.1	17.0
	Fiscal year						
Year ending June							
1963	69.8	67.1	2.3	1.7	.9	70.2	9.7
1964	80.7	77.5	2.9	2.1	1.2	81.3	10.0
1965	74.1	71.4	3.0	2.5	1.1	75.8	13.2
1966	69.8	65.4	2.4	2.7	1.0	69.5	13.9
1967 5/	64.3	62.3	1.8	3.2	1.2	66.1	15.7

1/ After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales. 2/ Prior to July 1962 and after December 1965, data are from Census import classification covering mainly smoking tobacco; from July 1962 through December 1965, data represent taxable removals of imported smoking tobacco reported by Internal Revenue Service. 3/ Total removals (or sales) plus imports minus exports in packages. 4/ Includes specially-prepared cigarette tobacco, cut or granulated tobacco, partially-processed blended tobacco and shredded tobacco. Virtually all of the smoking tobacco in this export class was not included in Internal Revenue Service output figures for smoking tobacco. 5/ Subject to revision. 6/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

Chewing Tobacco

Production of chewing tobacco in 1967 may be around 65 million pounds--about the same as in 1966. The small changes that may occur in the individual categories are expected to about offset each other. Scrap chewing and plug chewing output--making up 53 and 37 percent, respectively, of estimated total chewing output--may be relatively near year-earlier levels. Scrap chewing uses substantial quantities of Wisconsin cigar binder types and Pennsylvania filler, while plug chewing mainly uses dark air-cured and burley.

Twist and fine-cut make up the remaining 10 percent of estimated 1967 chewing tobacco production. Output of twist may be down some, but that of fine-cut may continue to gain.

Total output of chewing tobacco, which had declined for many years, has remained fairly stable since 1960. Increases in scrap and fine-cut chewing have about offset decreases in plug and twist.

Consumption of chewing tobacco per male (18 years and over) during 1967 is estimated at slightly below that of 1966, but about a fifth less than 10 years ago. (See table 9.)

Table 11.--Chewing tobacco and snuff: Output by category for specified periods

Period	Chewing tobacco					Snuff
	Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:						
1950-54	38.9	4.9	2.8	38.2	84.8	39.2
1955	36.5	4.5	3.0	36.0	80.0	39.2
1956	33.0	4.3	2.9	35.5	75.7	37.7
1957	31.6	4.0	2.8	34.0	72.4	36.1
1958	29.6	3.8	2.9	33.0	69.3	34.8
1959	28.6	3.6	3.0	33.0	68.2	34.3
1960	26.4	3.4	3.1	32.0	64.9	34.6
1961	26.0	3.3	3.2	32.7	65.2	33.8
1962	26.0	2.9	3.3	32.5	64.7	33.2
1963	24.9	2.9	3.3	34.2	65.3	31.8
1964	25.9	2.8	3.5	34.0	66.2	31.4
1965	24.7	2.8	3.7	33.9	65.1	29.7
1966 1/	24.3	2.7	3.9	34.3	65.2	29.5
1967 2/	24.0	2.5	4.1	34.5	65.1	29.0
	Fiscal year					
Year ending June						
1963	25.1	3.0	3.3	33.6	65.0	32.7
1964	25.9	2.8	3.4	34.2	66.3	31.9
1965	25.1	2.8	3.6	33.4	64.9	30.3
1966	24.5	2.9	3.8	34.2	65.4	30.0
1967 1/	24.2	2.6	4.0	34.2	65.0	29.1

1/ Subject to revision. 2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

All except a small fraction of chewing tobacco is consumed domestically. Exports, consisting mainly of twist and plug, declined steadily from 1957 to 1965, but turned upward in 1966. In the first 7 months of 1967, however, these exports were down 31 percent from a year earlier, mainly due to a sharp drop in shipments to Australia--the leading U.S. outlet in 1966. Exports to Panama were up appreciably, and some was shipped to French Pacific Islands, Dominican Republic, Trust Territory of the Pacific Islands, the Netherlands Antilles, and the Bahamas.

Snuff

Production of snuff in 1967 is estimated at about 29 million pounds--about 2 percent less than in the previous year. Snuff output, relatively stable prior to 1956, has trended downward since then. The estimated 1967 output is 7 million pounds smaller (20 percent) than 10 years earlier. Production in the year ahead is expected to continue the downward drift.

Practically the entire output of snuff is consumed domestically, mainly in the South and Northwest, and in industries where smoking is hazardous or inconvenient. Snuff is the principal domestic outlet for the fire-cured types.

On a per capita basis, snuff consumption has been declining for many years. In 1967, per capita consumption (by persons 18 years and over) is estimated at near the 1966 level, but 28 percent less than 10 years ago. (See table 9.)

The Bureau of Labor Statistics wholesale price index for snuff rose 2 percent in May 1967--returning near the year-earlier level--and was unchanged through July.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco in calendar 1967 may be around 585 million pounds (about 660 million farm-sales weight)--6 percent above 1966 and the largest calendar year total since 1946. The January-July 1967 total was up 29 percent, but exports during the remainder of the year are expected to be below the high level for the like 1966 period.

The outlook for U.S. tobacco exports continues to be clouded by the uncertainty of the Rhodesian political situation and other factors. U.N. sanctions in force against Rhodesian tobacco are expected to sustain demand for U.S. tobacco. Also favoring U.S. exports are the improved quality of recent U.S. flue-cured crops, and the export payment program started in July 1966. World consumption of cigarettes is increasing. Economic activity abroad is relatively high, despite some economic slowdown in several countries. From a longer-range standpoint, concessions gained at the "Kennedy Round" negotiations (see page 29) are expected to assist our tobacco exports, unless impaired by features of a European Economic Community common agricultural policy for tobacco now being formulated. However, somewhat larger supplies of flue-cured tobacco--which usually makes up around four-fifths of U.S. tobacco exports--are available in several competitor countries, including some small producers that have expanded their production since the ban on Rhodesian tobacco. Also, leaf tobacco use in some major U.S. foreign markets has not gained proportionately with increased cigarette output, and this disparity is expected to continue. The possible linkup of the United Kingdom, Ireland, Norway, Denmark, and Sweden with the European Economic Community (Common Market) could affect U.S. exports, since several other exporting countries might gain more advantageous entry to these markets. The U.K. is

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 12.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Year ending June 30				January-July		
	Average 1960-64	1965	1966 1/	1967 1/	1966 1/	1967 1/	1967 as a percentage of 1966
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Flue-cured	400.2	372.7	349.5	481.6	158.8	204.4	129
Burley	39.5	47.1	47.4	50.9	25.4	31.2	123
Maryland	11.7	10.4	10.5	14.5	5.3	8.2	155
Fire- and sun-cured	23.6	23.6	27.8	26.9	11.6	14.5	125
Green River	.6	1.2	.7	.8	.4	.8	200
One Sucker	.6	.7	.9	1.2	.1	.7	700
Black Fat, etc.	4.2	3.8	4.1	3.7	2.0	2.5	125
Cigar wrapper	4.4	3.8	4.6	3.8	2.9	2.2	76
Cigar binder	1.8	2.1	2.4	1.8	1.5	1.4	93
Cigar filler	.4	.6	1.0	1.8	.5	.5	100
Perique	.2	.4	.3	.4	.1	.1	100
Stems, trimmings, and scrap	10.1	17.5	23.0	39.9	11.9	16.6	139
Total	497.3	484.0	472.2	627.3	219.7	283.1	129
Country of destination:							
United Kingdom	142.4	123.2	91.8	145.8	25.4	40.4	159
France	5.9	5.7	7.3	7.2	4.5	3.1	69
Belgium	17.9	15.9	17.2	21.3	6.6	9.3	141
Netherlands	31.7	29.7	35.8	37.0	13.3	22.5	169
West Germany	76.1	83.8	81.2	126.7	55.3	71.5	129
Portugal	7.3	4.5	3.1	4.2	1.7	2.4	141
Denmark	13.7	14.9	12.0	20.6	7.6	8.5	112
Ireland	15.5	10.8	7.8	18.0	2.9	8.1	279
Switzerland	12.6	13.4	15.2	21.2	8.2	12.8	156
Finland	7.7	5.7	4.6	6.7	1.3	3.7	285
Norway	7.5	5.5	6.2	10.8	4.3	4.3	100
Sweden	15.9	16.5	12.0	20.5	12.0	7.9	66
Italy	10.8	11.6	4.0	2.7	1.1	5.5	500
Spain	2.5	3.5	3.2	5.8	3.2	3.8	119
Thailand	9.4	12.5	14.8	21.5	10.7	13.8	129
S. Vietnam	4.5	8.2	9.5	15.4	4.0	6.8	170
Malaysia 2/	5.1	6.6	7.7	7.0	4.4	5.1	116
Hong Kong	6.0	9.0	5.9	5.0	2.1	3.0	143
Japan	22.0	27.5	42.1	40.6	5.6	4.0	71
Australia	18.9	15.1	16.5	20.4	5.9	8.9	151
New Zealand	4.7	3.0	3.9	5.0	3.1	2.0	65
Egypt	14.6	5.2	21.2	4.7	10.5	.7	7
Other countries	44.6	59.2	58.0	59.2	26.0	35.0	135
Total	497.3	484.0	472.2	627.3	219.7	283.1	129

1/ Subject to revision.
2/ Malaysia and Singapore.

Compiled from publications and reports of the Bureau of the Census.

a principal overseas market for U.S. tobacco, and the others are also important markets. All, except Sweden, have formally applied for full EEC membership; Sweden has requested negotiations leading to a closer tie with the Community.

For the year ending June 30, 1968, U.S. tobacco exports may be moderately below the 627 million pounds (export weight) of 1966/67--largest fiscal year shipments since 1919/20--but may be higher than all other years since 1955-56.

U.S. tobacco exports include those made under programs of the Agricultural Trade Development and Assistance Act (Public Law 480). P.L. 480 has been extended to December 31, 1968, by legislation approved last November. Sales of agricultural commodities for foreign currencies are authorized under Title I of the law. In the year ended June 30, 1967, about 21 million pounds of tobacco were shipped under Title I--down sharply from a year earlier but about the same as 2 years earlier. Recipient countries and quantities taken were as follows: South Vietnam, 15.4 million pounds; Ghana, 2.8 million; India, 1.5 million; Chile, 0.5 million; Pakistan, 0.5 million; Israel, 0.2 million; and Egypt, 0.2 million (shipped during the last half of 1966).

Title III of P.L. 480 authorizes barter of U.S. farm products for materials and services from abroad. In the year ended June 30, 1967, exports of unmanufactured tobacco under the barter program surpassed any previous fiscal year, reaching 106 million pounds--38 percent above 1965/66. These exports were made to more than 30 destinations. The major ones and quantities taken were as follows: United Kingdom, 25.4 million pounds; West Germany, 21.8 million; Japan, 10.8 million; Spain, 6.2 million; Taiwan, 5.3 million; Finland, 5.2 million; Ireland, 5.1 million; Malaysia, 4.5 million; Portugal, 4.0 million; the Netherlands, 2.9 million; Peru, 2.6 million; Singapore, 2.3 million; Dominican Republic, 1.7 million; Norway, 1.4 million; and New Zealand, 1.1 million.

Title IV of P.L. 480 prior to the act's amendment last November authorized sales under long-term dollar credit. This authorization is continued, but is now under Title I of the amended law. In the year ended June 30, 1967, exports under the former Title IV program totaled about $5\frac{1}{2}$ million pounds--appreciably above the relatively small 1965/66 total and above any previous fiscal year. These exports went mainly to the Republic of the Congo (Kinshasa), the balance to Ecuador and Iceland. Sales for long-term dollar credit will receive increased emphasis, since a major objective of the amended P.L. 480 is to speed up the transition from foreign currency sales to dollar sales.

Tobacco exports under Agency for International Development (AID) programs in the year ended June 30, 1967, amounted to about 3 million pounds--down from the preceding year. Virtually all went to Tunisia, the Dominican Republic, Trinidad and Tobago, and Chile.

Exports assisted and facilitated by P.L. 480 programs (and including AID) in 1966/67 totaled about 136 million pounds--nearly 22 percent of total tobacco exports. The volume was the largest fiscal or calendar year total since inception of P.L. 480 programs, although the proportion of the total was down from the record 27 percent of 1965/66. (See table 13.)

Foreign Producing and Exporting Countries

Flue-cured tobacco is the leading kind entering international trade. Oriental--also a light cigarette tobacco--ranks second. Before Rhodesia's unilateral declaration of independence (November 1965) and the U.N. economic sanctions against its tobacco that

Table 13.--Tobacco exports under Government-financed programs, average 1955-59, annual 1960-67, fiscal years

Year ending June 30	Public Law 480: Title I, foreign currency sales	Public Law 480: Title III, barter sales	Public Law 480: Title IV, long-term dollar credit sales 1/	Public Law 480: Total	Mutual Security and A.I.D. programs	Total under Government-financed programs	Total unmanufactured tobacco exports	Exports under Government-financed programs as percentage of total exports
	Quantity (export weight)							
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Average: 1955-59	42.5	0.4	---	42.9	6.4	49.3	497.1	9.9
1960	41.9	29.4	---	71.3	23.2	94.5	456.6	20.7
1961	40.2	40.4	---	80.6	20.0	100.6	504.2	20.0
1962	26.1	77.4	---	103.5	2.8	106.3	520.0	20.4
1963	28.7	18.1	1.2	48.0	---	48.0	473.3	10.1
1964	35.5	15.4	3.8	54.7	.6	55.3	532.1	10.4
1965	21.2	18.8	4.5	44.5	5.1	49.6	484.0	10.2
1966	43.2	76.9	1.3	121.4	5.8	127.2	472.2	26.9
1967 2/	21.1	106.3	5.5	132.9	3.0	135.9	627.3	21.7
	Value							
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Percent
Average: 1955-59	30.4	0.3	---	30.7	3.3	34.0	343.8	9.9
1960	30.8	19.6	---	50.4	18.4	68.8	341.9	20.1
1961	29.4	25.1	---	54.5	16.5	71.0	385.2	18.4
1962	19.6	46.3	---	65.9	1.8	67.7	407.5	16.6
1963	22.5	12.4	1.6	36.5	---	36.5	378.4	9.6
1964	23.8	8.5	2.9	35.2	.8	36.0	420.7	8.6
1965	14.9	13.1	4.6	32.6	2.8	35.4	395.3	9.0
1966	29.9	54.9	.9	85.7	4.4	90.1	394.7	22.8
1967 2/	15.6	84.6	4.0	104.2	2.4	106.6	505.3	21.1

1/ Legislation extending P.L. 480 to December 31, 1968 (P.L. 89-808, approved November 11, 1966) placed authority for long-term dollar credit sales under Title I. 2/ P.L. 480 exports preliminary; subject to revision.
Total unmanufactured tobacco exports include CCC credit sales (credits for relatively short periods); these sales amounted to about 1 million pounds in fiscal 1964 and about 300,000 pounds in fiscal 1965, but jumped to 17.9 million pounds in fiscal 1967.

followed, Rhodesia was the second largest exporter of flue-cured tobacco--ranking after the United States. Canada and India are also major producers and exporters of flue-cured, while Turkey and Greece are the free world's principal producers and exporters of oriental tobacco.

In Rhodesia, the flue-cured crop harvested in early 1967 is estimated at 200 million pounds--18 percent less than the previous year. The crop was to be sold at closed auctions in utmost secrecy, with growers guaranteed an average return equivalent to 33 U.S. cents per pound. The target for the flue-cured crop to be harvested in early 1968 was announced at 132 million pounds--about a third less than estimated 1967 production. The average guaranteed price to growers remains about 33 U.S. cents per pound. Trade sanctions against Rhodesian tobacco have reduced exports, and stocks of flue-cured tobacco accumulated in Rhodesia after the current marketing season is completed may range between 250 and 300 million pounds.

In Zambia, production of flue-cured has fallen short of the previously established targets, which called for 25 million pounds to be harvested in 1966 and 40 million pounds annually as soon as possible thereafter. The crop actually harvested in 1966 was under 15 million pounds, and the 1967 crop is estimated at about 11 million. Reportedly, British manufacturers are prepared to buy about 60 percent of Zambia's flue-cured crop to be produced in 1968, 1969, and 1970, based on "realistic" production targets of 15, 20, and 25 million pounds, respectively, provided price and quality are satisfactory and U.K. consumer demand is maintained. Sales of 1967 Zambian flue-cured at Lusaka auctions were completed August 16, and totaled 10.1 million pounds averaging the equivalent of 60.8 U.S. cents per pound. The previous season, 13.8 million pounds were sold and averaged the equivalent of 42.5 cents. Flue-cured produced in northeast Zambia is sold at Limbe (Malawi) auctions.

The 1967 flue-cured crop in Canada is estimated at 227 million pounds--topping the 1966 record crop by 1 percent. Acreage for harvest in Ontario, where most of the crop is produced, increased 9 percent from last year, but the average yield per acre is estimated below 1966, when the second highest average yield on record was obtained. The 1967 acreage was expanded with the objective of producing a crop large enough to meet domestic manufacturers' requirements and export needs estimated at 74 million pounds (farm-sales weight), including 67½ million pounds expected to be purchased by United Kingdom manufacturers. U.K. purchases in recent years had averaged around 36 million pounds annually, but, in view of the Rhodesian situation, estimated requirements from the 1966 crop were raised to 55½ million pounds.

Canada exported about 14 million pounds of flue-cured tobacco in January-April 1967--4 million pounds less than a year earlier. About 90 percent was shipped to the United Kingdom. The rest went mainly to other Commonwealth destinations, Uruguay, Finland, Denmark, Netherlands, and Belgium.

India's 1967 flue-cured crop is placed at around 190 million pounds--more than a fourth above the small 1966 crop. The 1966 exports of flue-cured tobacco dropped to 62 million pounds from 115 million in the previous year, reflecting the reduced 1966 crop. In the first quarter of 1967, exports of flue-cured amounted to 10 million pounds--14 percent above a year earlier. Around half was consigned to the United Kingdom, which increased takings 36 percent. Other countries taking Indian flue-cured included Nigeria, Yugoslavia, Soviet Union, Ivory Coast, Singapore, Malaysia, Belgium, and South Vietnam.

Table 14.--Production of flue-cured and oriental tobacco in specified countries for specified periods

Country	Year of harvest					
	Average 1950-54	Average 1955-59	1964	1965	1966 1/	1967 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
	Flue-cured					
Canada	138.0	150.5	143.2	159.2	223.7	227.0
India	101.9	127.7	252.2	208.8	149.0	190.0
Rhodesia	104.4	149.6	300.2	232.8	244.0	200.0
Total, countries shown	344.3	427.8	695.6	600.8	616.7	617.0
	Oriental					
Greece	128.3	199.8	291.0	266.7	202.6	240.0
Turkey	214.4	259.4	384.7	271.2	366.0	364.0
Total, countries shown	342.7	459.2	675.7	537.9	568.6	604.0

1/ Preliminary; subject to revision.

Compiled from reports of Foreign Agricultural Service.

In Turkey, the 1967 production of oriental tobacco is estimated at 364 million pounds--only slightly below the previous year's crop, which was second largest on record. Unmanufactured tobacco exports in January-April 1967 totaled 95 million pounds--4 percent less than a year earlier. Exports to the United States--leading outlet--rose 7 percent but those to West Germany, East Germany, and Czechoslovakia declined substantially. More than a year earlier was shipped to Hungary, and appreciable quantities went to the Soviet Union and Japan, in contrast to none a year earlier.

The 1967 production of oriental tobacco in Greece, estimated at 240 million pounds, is 18 percent above 1966. In January-June 1967, Greece exported 84 million pounds of unmanufactured tobacco--2 percent less than a year earlier but 11 percent more than 2 years earlier. Exports to the United States and the Soviet Union increased 23 and 27 percent, respectively. But reduced shipments were made to West Germany, Poland, Egypt, East Germany, and Italy. A significant quantity was exported to Japan; a year earlier, none was shipped there.

The burley crop in Greece--produced for export--is now estimated at about 24 million pounds for 1967. In 1966, the crop was 13.7 million and in 1965 amounted to 9.4 million.

British Tobacco Situation

The United Kingdom is the single largest export market for U.S. tobacco, accounting for 24 percent of all U.S. exports of unmanufactured tobacco and 29 percent of U.S. flue-cured exports in 1962-66--considering both on an unstemmed equivalent basis. Tobacco imports consist principally of flue-cured, used for home consumption and export of manufactured products, chiefly cigarettes.

In the United Kingdom, gross clearances of tobacco from bond are a measure of total use by manufacturers, both for domestic consumption and export. Between 1950 and 1960, these clearances increased steadily to a peak of 319 million pounds, but fell off to 301 million by 1966. Stemmed tobacco, which provides more usable leaf from the same weight of tobacco, now makes up a much higher proportion of gross clearances than formerly. (See table 15.) The increased British manufacture of filter tip cigarettes(which usually require less tobacco per unit than nonfilter tips) has also affected clearances of tobacco. In 1960, filter tip cigarettes comprised 33 percent of total sales, but this proportion had grown to nearly 61 percent by 1966. Filter tip cigarettes in the United Kingdom are cheaper than untipped cigarettes, adding to their popularity.

In the first half of 1967, gross clearances of all tobacco were about even with those of a year earlier as a gain in exports (predominantly cigarettes) about offset a dip in domestic consumption. But reported gross clearances of flue-cured in January-June 1967 totaled about 137 million pounds--7 million pounds less than a year ago. Flue-cured from the United States and Canada increased 8 percent and 26 percent, respectively; gross clearances of flue-cured from Rhodesia dropped 37 percent, while those of Indian flue-cured declined slightly. U.S. flue-cured made up 48.1 percent of total reported gross clearances, compared with 42.4 percent a year earlier, and 44.3 percent 2 years earlier.

Domestic consumption (net clearances from bond) in January-June 1967 were about $1\frac{1}{2}$ percent below those of a year earlier and about equal to those of 2 years earlier.

Table 15.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks Dec. 31 3/	Gross clearances from bond 4/					Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
						By duty preference		By form			
	Total	From U. S. 2/	From Commonwealth countries 2/		Total	Nonpreferential 2/	Preferential 2/	Stemmed	Unstemmed		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1950-54	303	151	137	459	282	174	108	47	235	45	7
1955	344	179	149	507	298	173	125	50	248	44	4
1956	318	160	146	523	300	173	127	59	241	45	3
1957	319	168	141	529	304	169	135	69	235	41	3
1958	316	164	145	529	310	172	138	74	236	41	2
1959	300	140	155	509	315	171	144	78	237	34	2
1960	365	178	180	538	319	167	152	88	231	31	5
1961	345	157	182	563	317	161	156	100	217	31	3
1962	280	106	168	540	307	153	154	107	200	28	4
1963	325	145	174	536	313	154	159	125	188	29	3
1964	313	123	181	541	308	146	162	157	151	26	4
1965	284	91	184	520	298	130	168	191	107	32	4
1966 5/	261	132	110	464	301	132	169	218	83	35	4
Jan.-July											
1963	126	30	93	6/468	*154	*76	*78	*59	*95	17	2
1964	123	32	86	6/478	*152	*73	*79	*71	*81	14	2
1965	131	35	91	6/477	*148	*66	*82	*90	*58	18	3
1966	115	34	70	6/451	*152	*64	*88	*108	*44	20	3
1967	146	49	85	6/423	*152	*72	*80	*115	*37	22	1

1/ Unmanufactured tobacco. 2/ The full duty rate on tobacco from the United States and other non-preferential areas is about 2 percent above the preferential rate on tobacco from Commonwealth areas. 3/ Beginning with 1957, stocks not strictly comparable with prior years. 4/ Largely withdrawals for manufactures for home use and export. 5/ Subject to revision. 6/ Stocks as of June 30.
* Jan.-June.

Compiled from official United Kingdom sources.

Table 16.--Unmanufactured tobacco imports into the United Kingdom from major sources, average 1950-54, annual 1955-67

Year ending June 30	United States	Rhodesia, Zambia, and Malawi	India	Canada	Turkey	Greece	Other	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1950-54	152.9	70.6	39.8	23.2	4.2	1.1	10.4	302.2
1955	151.9	82.7	36.1	40.2	3.5	1.6	10.9	326.9
1956	208.5	60.8	40.2	21.1	3.3	1.9	9.7	345.5
1957	148.6	91.6	36.0	30.4	2.2	.1	7.5	316.4
1958	162.1	78.4	45.6	21.8	2.2	1.4	5.7	317.2
1959	157.7	73.2	47.2	28.8	.3	.2	7.0	314.4
1960	147.2	90.9	39.5	32.1	.1	.3	6.8	316.9
1961	166.7	107.3	45.1	36.3	.4	.3	6.4	362.5
1962	154.0	101.0	37.9	33.7	.3	.4	5.9	333.2
1963	117.5	94.3	32.5	32.2	.4	.3	6.9	284.1
1964	147.7	96.7	36.3	36.1	.4	.4	7.4	325.0
1965	121.8	107.4	35.4	32.5	.6	.3	7.5	305.5
1966	98.0	1/108.4	37.1	36.0	.7	.3	15.7	296.2
1967 2/	144.8	1/17.3	40.7	51.4	.7	.8	27.1	282.8
	Percentage change							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average: 1950-54 to 1967	-5.3	-75.5	2.3	121.6	-83.3	-27.3	160.6	-6.4
1966 to 1967	47.8	-84.0	9.7	42.8	0	166.7	72.6	-4.5
	Percentage distribution							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average: 1950-54	50.6	23.4	13.2	7.7	1.4	.4	3.3	100.0
1955	46.5	25.3	11.0	12.3	1.1	.5	3.3	100.0
1956	60.4	17.6	11.6	6.1	1.0	.5	2.8	100.0
1957	47.0	28.9	11.4	9.6	.7	---	2.4	100.0
1958	51.1	24.7	14.4	6.9	.7	.4	1.8	100.0
1959	50.2	23.3	15.0	9.1	.1	.1	2.2	100.0
1960	46.5	28.6	12.5	10.1	---	.1	2.2	100.0
1961	46.0	29.6	12.4	10.0	.1	.1	1.8	100.0
1962	46.2	30.3	11.4	10.1	.1	.1	1.8	100.0
1963	41.4	33.2	11.4	11.3	.1	.1	2.5	100.0
1964	45.4	29.8	11.2	11.1	.1	.1	2.3	100.0
1965	39.9	35.1	11.6	10.6	.2	.1	2.5	100.0
1966	33.1	36.6	12.5	12.2	.2	.1	5.3	100.0
1967	51.2	6.1	14.4	18.2	.2	.3	9.6	100.0

1/ Imports from Rhodesia were 85.4 million pounds in fiscal 1966 and zero in fiscal 1967.
2/ Subject to revision.

Basic data compiled from official United Kingdom sources.

The United Kingdom is a major exporter of cigarettes, which usually make up close to nine-tenths of its tobacco exports. British manufactured tobacco exports had trended downward for some years, but gained substantially in 1965 and rose again in 1966. In the first 6 months of 1967, exports of cigarettes continued to increase and were 13 percent ahead of those in the like 1966 period. Among outlets taking more were Kuwait, Hong Kong, Singapore, Persian Gulf States, French Somaliland, Sudan, Malaysia, Canary Islands, Irish Republic, Togo, the Netherlands, Libya, Gambia, Belgium, and Morocco. Destinations taking less than a year earlier included West Germany, France, and Norway.

Imports of unmanufactured tobacco in the year ended June 30, 1967, totaled 283 million pounds--nearly 5 percent less than in 1965/66 and the second lowest in 14 years. Larger quantities were received from several countries--notably the United States--but these gains failed to offset completely the cessation of imports from Rhodesia, which in 1965/66 had furnished 85 million pounds. About 86 percent of the 1966/67 imports entered in stemmed form, the same percentage as a year earlier. In 1964/65, the proportion was 72 percent.

Tobacco imports from the United States rose sharply, and those from Canada reached a record high. Imports from India gained moderately. (See table 16.) Other countries furnishing more tobacco than in the previous year were Union of South Africa, Tanzania, and the Netherlands (re-exports). A little less than in 1965/66 was imported from Malawi, and substantially less, from Zambia.

The United States provided 51 percent of total U.K. tobacco imports in 1966/67, contrasted with only 33 percent a year earlier and 40 percent 2 years earlier. Imports from Commonwealth sources made up 42 percent of the total, down from 62 percent a year earlier and 58 percent 2 years earlier.

The duty on the main unmanufactured tobacco item imported into the United Kingdom from non-Commonwealth sources is equivalent to $12.23 a pound. Commonwealth sources, which include India, Canada, Malawi, and Zambia, receive a preferential rate equivalent to $12.01½--a margin of preference equal to 21½ cents a pound. (Since its unilateral declaration of independence in November 1965, Rhodesia has been suspended from Commonwealth preferential tariff arrangements.) At the "Kennedy Round" trade negotiations in Geneva, the United Kingdom agreed to reduce the Commonwealth preference by 25 percent, provided the United States changed its valuation method in calculating import duties on certain chemicals. (See page 30.)

At the end of June 1967, manufacturers' stocks of tobacco in the United Kingdom totaled 423 million pounds--6 percent less than a year earlier. Stocks amounted to just under 17 months' use, as represented by July 1966-June 1967 gross clearances. A year earlier, stocks had been equal to 17.9 months' use and in 1961-65 had averaged about 18½ months' use. On June 30, 1967, British manufacturers' stocks of U.S. flue-cured, at 199 million pounds, were up 14 million from a year earlier but were still second lowest for that date in 12 years. Stocks of Rhodesian flue-cured were down to 58 million pounds--less than half the relatively large year-earlier holdings--and were 46 percent below the 1961-65 average. Use of Rhodesian flue-cured, from existing stocks in the United Kingdom, have declined. They fell from around 6 million pounds a month during July-December 1966 to about 5 million a month in January-March 1967, and to 4 million a month in April-June 1967. Stocks of Canadian flue-cured--63 million pounds--increased 8 percent; but those of Indian flue-cured--39 million pounds--declined 8 percent. British stocks of Malawi dark fire-cured and Indian air- and sun-cured were substantially below a year earlier, but air- and sun-cured from Malawi increased moderately.

TOBACCO TARIFF CHANGES RESULTING FROM
"KENNEDY ROUND" TRADE NEGOTIATIONS

Among the import duty reductions by the United States as a result of the "Kennedy Round" trade negotiations at Geneva, under auspices of the General Agreement on Tariffs and Trade (GATT), were the following relating to tobacco:

U.S. tariff item	Product	Present duty	Ultimate new duty *
170.28	Cigarette leaf, unstemmed, oriental	12.75¢ per lb.	11.5¢ per lb.
170.35	Cigarette leaf, stemmed	50¢ per lb.	45¢ per lb.
170.66	Cigars and cheroots, foreign value over 15 cents apiece	$1.91 per lb. + 10.5% ad valorem	$0.95 per lb. + 5% ad valorem
170.75	Snuff & snuff flour	22¢ per lb.	11¢ per lb.

* These final rates are to become effective January 1, 1972. On January 1, 1968, 20 percent of the reduction will go into effect, and an additional 20 percent on each January 1 of the following 4 years.

The reduction in duties on oriental cigarette leaf amounts to 10 percent, and in the case of the specified cigars and snuff, amounts to 50 percent.

Principal suppliers of oriental leaf to the United States are Turkey, Greece, and Yugoslavia; lesser quantities are furnished by Italy and several other countries. In 1966, U.S. imports of unstemmed oriental tobacco for consumption--the form in which it is used by manufacturers--amounted to about 137 million pounds, valued at about $106 million. The same year cigars with an average unit import value over 15 cents came mainly from the Canary Islands, Jamaica, Mexico, and Spain. Total U.S. imports for consumption of cigars from these countries in 1966 were 8.3 million pieces (totalling about 152,000 pounds), valued at about $1.7 million. The last full calendar year for which separate figures for snuff imports are available is 1965; U.S. imports for consumption that year amounted to about 3,800 pounds, valued at about $5,700.

Foreign countries made concessions of importance to U.S. tobacco trade as follows:

European Economic Community. The EEC (West Germany, Belgium, the Netherlands, Luxembourg, France, and Italy) reduced its main duty that eventually would have applied to unmanufactured tobacco from 28 percent ad valorem (maximum charge 17.2 cents a pound, minimum 13.2 cents) to 23 percent (maximum 15 cents, minimum 12.7 cents). This reduces the spread between the maximum and minimum charges from 4 cents a pound to 2.3 cents. Most U.S. tobacco imported into EEC was subject to the maximum duty, whereas most competitive tobaccos from non-EEC countries were subject to the minimum. The reduced

spread between the maximum and minimum import charges will tend to reduce the advantage that lower-priced competitive tobaccos have had in the European Common Market, compared with U.S. tobacco.

The new EEC duties are scheduled to come into force in stages: 40 percent of the reduction to become effective on July 1, 1968, and 20 percent on July 1 of the following 3 years, until the new rates are attained on July 1, 1971. When these rates are fully effective, tobacco valued at about 65 cents or more (but less than $1.27) per pound will be subject to the maximum duty of 15 cents; tobacco valued at about 55 cents or less will be subject to the minimum duty of 12.7 cents. Tobacco valued between 55 and 65 cents a pound will be subject to the 23 percent ad valorem rate.

Another concession of the EEC was a reduction in its duty on imported cigarettes from 180 percent ad valorem to 90 percent, to be attained in stages. Also, the duty on cigars and cigarillos was reduced from 80 percent ad valorem to 52 percent, and the duty on pipe and cut tobacco was reduced from 180 percent ad valorem to 117 percent.

The EEC--considered as a whole--was the market in 1966 for 157 million pounds of U.S. unmanufactured tobacco (29 percent of our total exports), valued at about $120 million. It was also the market for 3.2 billion cigarettes (14 percent of our total exports), valued at $15.6 million.

United Kingdom. The United Kingdom--single largest overseas market for U.S. leaf--agreed to reduce the Commonwealth preference on imported tobacco by 25 percent, provided the United States eliminated the "American Selling Price" system. Under this system, U.S. duties on certain chemicals are calculated on the American wholesale price, rather than the foreign price. Elimination of the "ASP" method of determining duties will require legislation by Congress. The main U.K. duty on unmanufactured tobacco from non-Commonwealth countries is equivalent to $12.23 a pound, and from Commonwealth countries is equivalent to $12.01½. A reduction in the Commonwealth preferential margin of 21½ cents per pound would improve the competitive position of U.S. tobacco in the U.K. market, compared with tobacco from such countries as Canada, India, and--should normal trading conditions be restored--Rhodesia.

Other countries. Norway, Denmark, and Sweden bound their zero rate on unmanufactured tobacco, and Sweden cut duties on cigars, cigarettes, and smoking tobacco by half. Austria and Finland cut duties on unmanufactured tobacco 50 percent, reduced duties on cigars and cigarettes, and--in the case of Austria--lowered the duty on other manufactured tobacco. Canada and Argentina halved the rates on their respective tariff items covering largely cigar wrapper, and Canada also made concessions on imported oriental leaf, cigars, cigarettes, and cut tobacco. Hong Kong agreed to withdraw Commonwealth preference from all British Commonwealth suppliers of unmanufactured tobacco, except Malawi. India halved its duty on unmanufactured tobacco.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN-GROWN TOBACCO 2/

The world's largest producer and exporter of tobacco, the United States is also a major importer, purchasing foreign-grown tobacco mainly for blending with domestic types in the manufacture of cigarettes and cigars. In recent years, imported tobacco has accounted for approximately an eighth of total U.S. consumption.

2/ Imports of tobacco are on a declared weight basis and stocks are on a farm-sales weight basis.

Table 17.—United States imports for consumption of unmanufactured tobacco from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Year ending June 30				January-July		
	Average 1960-64	1965	1966 1/	1967 1/	1966 1/	1967 1/	1967 as a percentage of 1966
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Cigarette leaf							
Unstemmed:							
Turkey	78.6	77.8	82.4	89.4	47.7	53.8	113
Greece	31.6	35.1	35.5	36.9	21.2	21.1	100
Yugoslavia	7.2	12.3	11.4	12.6	6.4	7.8	122
Italy	1.6	2.1	.5	.4	.2	.2	100
Cyprus	.8	.7	.7	.7	.4	.4	100
Syria	.6	.3	.2	.3	.1	.2	200
Total 2/	123.2	131.4	133.7	144.1	78.1	86.0	110
Flue-cured and burley	.3	.5	.8	.6	.8	.4	50
Cigar leaf (filler)							
Cuba:							
Stemmed	4.2	.3	.1	.2	.1	.1	100
Unstemmed	3.1	1.1	.3	.2	.1	.1	100
Philippine Republic:							
Stemmed	.3	.2	3/	.1	3/	.1	---
Unstemmed	.1	3/	3/	.3	.1	.2	200
Colombia	.3	.3	.5	.4	.5	.2	40
Brazil	.3	.8	.6	.5	.4	.2	50
Paraguay	.2	.2	.2	.1	.1	3/	---
Dominican Republic	.4	.7	.8	1.0	.4	.7	175
Mexico	.2	1.0	1.1	1.1	.7	.5	71
Total 2/	9.4	5.4	4.6	5.1	3.0	2.8	93
Scrap:							
Cuba	9.1	1.7	1.7	1.0	1.0	.5	50
Philippine Republic	10.5	15.2	14.2	16.2	9.7	9.6	99
Peru	.5	.2	.2	.1	.1	.1	100
Colombia	2.7	7.2	4.3	3.3	2.2	1.4	64
Dominican Republic	2.8	9.7	4.8	3.2	2.1	2.2	105
Netherlands	.1	.1	.1	.1	.2	0	---
Indonesia	.6	1.9	1.0	1.1	.5	.6	120
Brazil	.8	4.8	2.7	3.3	1.9	1.6	84
Argentina	.2	.6	.3	.4	.2	.3	150
Paraguay	.2	.7	1.2	1.5	.7	.7	100
Total 2/	29.1	45.3	34.1	34.5	20.2	19.7	98
Cigar wrapper (unstemmed):							
Cuba	.5	.1	3/	3/	3/	3/	---
Cameroon Republic	3/	3/	.1	.1	3/	3/	---
Honduras	3/	.1	.1	.1	.1	.1	100
Total 2/	.5	.2	.3	.4	.2	.2	100
Total imports 4/	162.9	184.3	173.9	185.0	102.5	109.2	107

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Less than 50,000 pounds. 4/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 18.--United States general imports of tobacco from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Calendar year average, 1960-64	Year ending June 30			January-July		
		1965	1966	1967	1966	1967	1967 as a percentage of 1966
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf (unstemmed):							
Turkey	86.8	94.4	126.6	122.4	105.7	100.9	95
Greece	36.1	45.0	35.5	40.9	31.5	37.9	120
Other countries	16.3	19.0	23.9	22.1	23.1	21.3	92
Total	139.2	158.4	186.0	185.4	160.3	160.1	100
Scrap:							
Turkey	.9	1.3	6.9	6.7	1.2	3.2	267
Flue-cured and burley	.4	.6	2.5	.7	1.7	.6	35
Cigar wrapper (unstemmed):							
Cuba 1/	.3	0	0	0	0	0	---
Cameroon Republic	2/	.1	.1	.2	2/	2/	---
Honduras	2/	.1	.1	.2	2/	.2	---
Total 3/	.4	.4	.3	.6	.1	.4	400
Cigar filler (stemmed):							
Cuba 1/	3.0	0	0	0	0	0	---
Philippine Republic	.8	1.8	.9	.1	2/	.1	---
Brazil	.6	.2	.3	.5	.2	.2	100
Mexico	.1	.5	.6	.6	.3	.3	100
Dominican Republic	.1	.8	.2	.3	.1	.3	300
Honduras	.1	.2	.3	.3	.2	.3	150
Total 3/	4.8	4.0	2.6	2.2	1.0	1.4	140
Cigar filler (unstemmed):							
Cuba 1/	8.4	0	0	0	0	0	---
Philippine Republic	.3	1.4	.8	1.0	.6	.3	50
Dominican Republic	8.6	14.7	.4	4.3	.3	4.4	---
Colombia	8.2	9.4	4.7	4.3	4.2	4.3	102
Brazil	3.2	12.1	2.0	1.8	1.0	1.9	190
Paraguay	1.0	2.2	.5	1.2	.3	.9	300
Indonesia	2.3	7.3	2/	.1	2/	.1	---
Netherlands	.3	2/	2/	0	2/	0	---
Peru	.1	1.5	.7	0	0	0	---
Argentina	.4	1.3	.2	.1	.1	2/	---
Mexico	.7	1.5	2.3	3.0	2.3	.3	13
Jamaica	.1	2/	2/	.1	2/	2/	---
Other countries	.3	.4	1.7	1.0	.8	.6	75
Total	33.9	51.8	13.3	16.9	9.5	13.1	138
Scrap:							
Cuba 1/	3.7	0	0	0	0	0	---
Philippine Republic	11.5	25.3	18.2	8.7	11.1	4.6	41
Dominican Republic	.4	1.0	.6	.4	.1	.3	300
Colombia	2/	0	0	2/	0	2/	---
Brazil	.3	.6	.1	.2	.1	0	---
Paraguay	.1	.1	.5	.1	.4	.1	25
Indonesia	.1	.3	2/	.7	2/	.7	---
Netherlands	.1	0	2/	2/	2/	0	---
Argentina	.3	.3	.1	2/	.1	2/	---
Honduras	2/	2/	2/	.1	2/	2/	---
Other countries	.6	.6	1.0	1.8	.4	1.9	475
Total	17.1	28.2	20.5	12.0	12.2	7.6	62
Total cigar tobacco	56.2	84.3	36.7	31.7	22.8	22.4	98
Grand total	196.6	244.6	232.0	224.6	186.0	186.4	100

1/ For 1959-61 (pre-embargo) years, average imports were wrapper, 0.7 million pounds; stemmed filler, 7.9 million; unstemmed filler, 20.9 million; and scrap, 8.1 million.
2/ Less than 50,000 pounds.
3/ Includes quantities from other countries not separately listed. Details may not add to total, due to rounding.

Note: General imports include all arrivals in the United States as distinguished from "imports for consumption".

Tobacco imports for consumption in the year ended June 30, 1967, totaled 185 million pounds--6 percent above 1965/66 and topping the previous record of 1964/65 by a slight margin. Most of the gain was in imports of cigarette leaf (some used in smoking tobacco blends), which made up over three-fourths of total receipts. Virtually all the rest was for use in cigars.

Cigarette leaf imports, at 144 million pounds, rose about 8 percent. Increased quantities (direct entries and withdrawals from bond) were from the 2 principal suppliers--Turkey and Greece--and from Yugoslavia. The average value per pound (excluding the import duty) was 67½ cents for leaf from Turkey and about 89 cents for Greek leaf, down more than 3 cents and about 6 cents, respectively, from the previous year. Imports from all sources had an average value of close to 74 cents a pound, compared with 78 cents a year earlier.

Imports for consumption consist principally of merchandise released from Customs custody immediately upon arrival (direct entries), plus withdrawals from bonded warehouses. Imports for consumption are usually taken as a measure of manufacturers' use. General imports, or total arrivals from abroad, represent direct entries plus tobacco placed in bonded warehouses. In the year ended June 30, 1967, total arrivals of cigarette leaf were slightly below the previous year's record although they exceeded any other fiscal year. Arrivals from Greece were up, but those from Turkey declined 3 percent (See table 18.) The average values per pound--about 62½ cents for the recent arrivals from Turkey and nearly 87 cents for the recent arrivals from Greece--were up about 2 cents and 1 cent respectively, from 1965/66. The average value for recent arrivals from all sources was about 68 cents, compared with about 66½ cents the previous year.

Stocks of foreign-grown cigarette and smoking tobacco in the United States on July 1, 1967, totaled 404½ million pounds (farm-sales weight equivalent)--11 percent above a year ealier and the largest holdings for any date on record. Average July 1 stocks in 1961-65 were 308 million pounds.

In the year ended June 30, 1967, imports of scrap (small pieces of leaves used in cigars) were little changed from a year earlier but were sharply below the relatively high level of 2 years earlier. More was imported from the Philippine Republic, Brazil, Paraguay, and Indonesia; but receipts from Colombia and the Dominican Republic declined. Withdrawals of Cuban scrap for consumption from bonded stocks in the United States dropped below the already reduced level of 1 and 2 years ago.

Imports from Cuba, for many years our principal supplier of foreign cigar tobacco, were embargoed in February 1962. Since then, the Philippine Republic has been the leading source of cigar tobacco imported into the United States. Philippine filler and scrap have a duty-free quota of 3.9 million pounds for calendar 1967 (the same as in 1965 and 1966), but the annual duty-free quota drops to 2.6 million pounds in 1968-70. Imports from the Philippines in excess of the duty-free quota are dutiable at lower rates than from other sources--the same as the preferential rates applicable to Cuba prior to the embargo. In 1966, about 13 million pounds of Philippine filler and scrap (virtually all scrap) were imported subject to duty.

General imports (total arrivals) of cigar tobacco in 1966/67 declined 14 percent from a year earlier, mainly due to a drop in Philippine scrap. (See table 18.)

July 1, 1967, stocks of foreign-grown cigar tobacco, by country of origin, are shown on page 55.

LEASE AND TRANSFER OF ACREAGE ALLOTMENTS

On July 7, the President signed into law 2 bills to amend provisions of the Agricultural Adjustment Act of 1938, as amended, on lease and transfer of tobacco acreage allotments:

P.L. 90-52 removes the 5-acre limitation on the lease and transfer on an annual basis of acreage allotments for tobacco. (Authority to lease and transfer allotments does not apply to burley tobacco, type 31; Ohio cigar filler, types 42-44; nor cigar binder types 53-55, principally Wisconsin binder. P.L. 90-6, which had been approved March 29, 1967, placed Maryland tobacco in the same position as other kinds for which allotment leasing is permitted.) No change is made in the other limitation of the law: total acreage allotted to any farm after the transfer cannot exceed 50 percent of the farm's acreage of cropland. Also continuing are provisions of earlier legislation: authority to lease and transfer extends through 1969; leasing is permitted only between farms in the same county; a downward adjustment in acreage allotment is made when the normal yield on the farm to which an allotment is being transferred is more than 10 percent higher than on the farm from which it was transferred. When acreage-poundage quotas are in effect the transfers are on a pound for pound basis, and each farm's allotment is adjusted by use of the yield established for the farm under acreage-poundage.

P.L. 90-51 applies only to fire-cured, dark air-cured, and Virginia sun-cured tobacco. It authorizes the Secretary of Agriculture to permit either the lease and transfer of allotted acreage for a period not to exceed 5 years, or outright sale and transfer of allotments (and acreage-poundage quotas, if applicable). The law sets certain limitations, among which are: not more than 10 acres of allotment may be transferred to any farm, and the total acreage allotted to any farm cannot exceed 50 percent of the cropland acreage on the farm; transfer is limited to farms in the same county; to prevent speculation, no sale of an allotment or quota is permitted if it was purchased within the preceding 3 years; a downward adjustment is made when the difference in normal yields exceeds 10 percent.

Lease and transfer provisions permit holders of small uneconomic allotments to transfer them to other growers seeking to improve their efficiency by enlarging their operations. In the case of fire-cured, dark air-cured, and Virginia sun-cured tobacco, the longer-period lease and authority to sell allotments were deemed necessary to promote; economic operations by farmers desiring to continue production, and to enable those who no longer wish to remain in production to transfer their resources into some other enterprise.

In 1966, the following acreages, after adjustment for differing normal yields, were transferred (percentage of total allotment in parentheses): flue-cured, 73,209 acres (11 percent of the allotment adjusted for overmarketings and undermarketings); Virginia fire-cured, 708 acres (8 percent); Kentucky-Tennessee fire-cured, 3,248 acres (12 percent); dark air-cured, 827 acres (7 percent); Virginia sun-cured, 22 acres (1 percent); Connecticut Valley cigar binder, 111 acres (3 percent).

A subcommittee of the House Committee on Agriculture is considering legislation that would extend to flue-cured tobacco the provisions covering lease, transfer, and sale of allotments or acreage-poundage quotas recently enacted for fire-cured, dark air-cured, and Virginia sun-cured tobacco.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured, Types 11-14

Domestic use and exports

In 1966/67, total flue-cured disappearance (calculated by subtracting the stocks on hand July 1, 1967, from the sum of 1966 production and stocks July 1, 1966) was 1,274 million pounds (farm-sales weight)--99 million pounds larger than in 1965/66 and second largest on record. The substantial increase was entirely attributable to a sharp rise in exports. Exports, after being converted to their farm-sales weight equivalent, account for an unusually large share of total disappearance--46 percent in 1966/67 compared with 36 percent in 1965/66.

For any given marketing year, an approximate measure of domestic use of a kind of tobacco is derived by subtracting exports from total disappearance. Using this method of calculation, indicated 1966/67 domestic use of flue-cured was 687 million pounds--a 20-year low. This is 65 million pounds or 9 percent below that of 1965/66. This sharp a fluctuation in 2 consecutive years is unprecedented, so the underlying statistics are being thoroughly scrutinized and checked. One checking procedure indicates that domestic use of flue-cured did not drop as sharply as was indicated by the above-mentioned method of calculation. Instead of declining 9 percent during 1966/67, domestic use may have declined only about 3 percent according to other calculations made under the checking procedure. The data and procedures are being studied further to determine what steps are necessary to preserve consistency and reasonable accuracy in the ongoing and interlocking statistical series portraying the economic position of flue-cured tobacco.

The economies achieved by the use of reconstituted sheet tobacco and stems (midribs), and increased use of imported cigarette tobacco--up about 11 million pounds from 1965/66 to 1966/67--are major factors that would account for a modest decline in domestic use of flue-cured--unstemmed weight basis--from 1965/66 to 1966/67.

The 1966/67 exports of 587 million pounds (farm-sales weight) were record high. They were up 39 percent from the 6-year low of 1965/66, and 6 percent above the previous high of 553 million pounds attained in both 1955/56 and 1946/47. The U.N. sanctions against tobacco from Rhodesia (normally the second largest exporter of flue-cured tobacco), the export payment program, and the high quality of recent crops were the main factors accounting for the big increase in U.S. flue-cured exports. Exports during 1967/68 are expected to continue well above most of the last several years, but probably not as high as in 1966/67. The ultimate disposition of accumulating stocks of flue-cured tobacco in Rhodesia continues to be the major question in world tobacco trade.

The United Kingdom--the leading U.S. tobacco export outlet--took 50 percent more U.S. flue-cured in 1966/67 than the unusually small quantity in 1965/66. On an unstemmed weight basis, the United Kingdom accounted for 28-1/2 percent of our total 1966/67 flue-cured exports, compared with about 26-1/2 in 1965/66. West Germany, accounting for over one-fifth of the total, took a record quantity--62 percent more in 1966/67 than in 1965/66. Exports of U.S. flue-cured to Japan and the Netherlands--next ranking U.S. outlets--were about 3-1/2 and 5 percent under those of a year earlier, but those to Japan were the second largest on record. Flue-cured exports to the next 5 ranking outlets--Thailand, Australia, Belgium, Ireland, and Denmark--were substantially higher

in 1966/67; Thailand and Denmark took record quantities; Belgium, the most in 11 years; Australia, the most in 6 years; and Ireland, the most in 4 years. Exports of U.S. flue-cured to South Vietnam, Switzerland, and Norway rose sharply to new record highs in 1966/67. Considerably larger quantities than a year earlier also went to Sweden, Finland, Spain, Austria, France, New Zealand, India, Taiwan, the Philippine Republic, and Uruguay. Flue-cured shipments to Malaysia increased moderately, but less went to Hong Kong, Republic of the Congo and Pakistan. Exports to Egypt in 1966/67 fell 76 percent from 1965/66--a year when Egypt ranked sixth among foreign outlets for U.S. flue-cured.

The proportion of U.S. flue-cured exported in stemmed form has risen substantially in the past 8 years. This is particularly true of the flue-cured going to the United Kingdom--our leading foreign customer. Comparing the unstemmed equivalent of stemmed flue-cured exports with the unstemmed equivalent of total flue-cured exports, percentages shipped from the United States in stemmed form were as follows:

Marketing year	To all countries combined	To the United Kingdom	To other countries combined
	Percent	Percent	Percent
1959/60	6.8	11.3	4.2
1960/61	9.3	12.9	7.0
1961/62	10.1	17.3	6.3
1962/63	17.0	36.2	9.4
1963/64	22.6	46.8	10.6
1964/65	26.7	58.4	11.3
1965/66	33.0	89.3	12.6
1966/67	35.7	89.9	14.0

1967/68 Supplies

Carryover of U.S. flue-cured on July 1, 1967, totaled 2,273 million pounds--166 million pounds lower than a year earlier and 282 million lower than the record high in 1965.

Estimated U.S. flue-cured tobacco acreage for harvest this year--629,570--is 4 percent above 1966. Increases in acreage were mainly in Georgia-Florida (type 14) and South Carolina-Border North Carolina (type 13). They reflect adjustments for the substantial undermarketing experienced in those Belts during the 1966 season. Also, per acre yields generally are well above last season. The September 1 forecast for flue-cured production of value was 1,280 million pounds--15½ percent above that sold in 1966. The 1966 volume was second lowest in 7 years. The 1967/68 total supply--production plus carryover--is indicated at 3,553 million pounds, slightly above 1966/67 but 221 million less than the record high for 1964/65. Carryover on July 1, 1968, seems likely to be a little above the level of July 1, 1967, but 1968 production is expected to be down from the 3-year high of 1967.

On September 1, unsold Government loan stocks of 1961-66 flue-cured tobacco--a component of the carryover and supply estimates above--totaled almost 538 million pounds (farm-sales weight). In the year ended August 31, 1967, about 226 million pounds were sold by the Flue-cured Tobacco Cooperative Stabilization Corporation--the growers' organization handling Government loans for price support. Sales in the preceding year amounted to 251 million pounds and the year before, 108 million pounds.

Table 19.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	775	444
1965	1,059	2,555	3,614	1,175	752	423
1966	1,108	2,439	3,547	1,274	*(687)	587
1967 2/	1,280	2,273	3,553			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1967
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	52.7	48.3	298.9	20.2	0
1956	51.5	48.9	319.9	22.5	0
1957	55.4	50.8	107.8	11.1	0
1958	58.2	54.6	144.8	13.4	0
1959	58.3	55.5	55.3	5.1	0
1960	60.4	55.5	51.8	4.1	0
1961	64.1	55.5	70.3	5.6	2.1
1962	60.1	56.1	237.2	16.8	55.2
1963	58.0	56.6	277.2	20.2	162.9
1964	58.4	57.2	285.6	20.7	203.0
1965	64.6	57.7	71.5	6.8	41.6
1966	66.9	58.8	74.6	6.8	72.8
1967		59.9	5/	5/	
Total			1,994.9		537.6

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 4/ As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than their farm-sales weight figures. 5/ By September 21--62 million pounds, 10 percent of deliveries, were placed under loan.

*This figure is lower than seems plausible, and the data from which it is derived are being studied.

1968 Flue-cured Acreage-Poundage Quota

On July 3, 1967, the Secretary of Agriculture announced a 1968 flue-cured quota of 1,126.5 million pounds, a national average yield goal of 1,854 pounds per acre, and a national acreage allotment of 607,605 acres. These are essentially the same as in the past 3 years, but acreage allotments and poundage quotas for individual farms will be adjusted to reflect undermarketings and overmarketings. The September 1 production estimate indicates that for flue-cured as a whole this year, overmarketings will exceed undermarketings. Farms having overmarketings in 1967 will have their 1968 acreage allotments and poundage quotas reduced correspondingly. Farms having undermarketings in 1967, however, will have their 1968 quotas increased to enable them to make up the amount of their 1967 undermarketings.

Under the acreage-poundage program, growers who comply with their acreage allotments receive price support on marketings up to 100 percent of their farm poundage quotas. Any tobacco marketed in excess of 100 percent of a farm's poundage quota is subject to payment of a penalty set by law at 75 percent of the average market price for the immediately preceding marketing year. (The applicable rate of penalty in the 1967 marketing year is 50 cents per pound.) Any marketings in excess of 100 percent of a farm's poundage quota are deducted from the following year's quota for the farm.

Table 20.--Gross sales (including resales) and prices of untied and tied flue-cured by types through September 21, 1967 and comparable 1966 data

Type	1967 Gross Sales through Sept. 21 1/				1966 Gross Sales comparable period			
	Untied tobacco		Tied tobacco		Untied tobacco		Tied tobacco	
	Quantity	Price per lb.	Quantity	Price per lb.	Quantity	Price per lb.	Quantity	Price per lb.
	Mil. lb.	Ct.	Mil. lb.	Ct.	Mil. lb.	Ct.	Mil. lb.	Ct.
14 2/	224.4	65.5	*	*	172.9	69.9	*	*
13	231.4	66.6	9.6	61.5	114.3	68.0	88.5	71.1
12	154.3	65.4	1.1	67.8	107.0	67.0	23.2	72.2
11-b	54.6	64.2	.1	67.4	45.2	64.6	.5	68.0
11-a	These markets opened Sept. 25				---	---	---	---
Total	664.8	65.8	10.8	62.2	439.4	68.2	112.2	71.3

1/ Subject to revision. 2/ Complete season for type 14--final 1967 sales on September 15.
* Traditionally, all flue-cured sold in type 14 markets has been untied.

Growers Approve Acreage-Poundage Quotas on 1968, 1969, and 1970 Crops

Flue-cured tobacco growers voting in a referendum on July 18, 1967, approved continuation of marketing quotas on an acreage-poundage basis for the 3 marketing years beginning July 1, 1968. Of the 162,314 growers voting, 96-1/2 percent favored marketing quotas. In the first referendum applicable to acreage-poundage, held on May 4, 1965, for the 1965, 1966, and 1967 crops, 73.6 percent of 229,880 growers voted in favor of acreage-poundage quotas. The results of these 2 referendums were as follows:

State	May 4, 1965		July 18, 1967	
	Total votes	Percent in favor	Total votes	Percent in favor
Alabama	95	64.2	103	96.1
Florida	4,032	26.7	2,119	93.1
Georgia	18,433	14.0	14,707	93.6
No. Carolina	162,829	82.9	111,226	97.1
So. Carolina	19,702	46.6	13,972	98.4
Virginia	24,789	85.8	20,187	94.4
Total	229,880	73.6	162,314	96.5

Prices and Price Support

The 1967 auction market price for all flue-cured tobacco sold this season through September 21 averaged 65.7 cents per pound, 3.1 cents below the average for the similar period last season. By September 21, around one-half of the 1967 crop had been marketed. The overall level of price support for the 1967 crop is 59.9 cents per pound--about 2 percent above 1966.

The overall level of price support for the 1968 crop will be established by adjusting the 1959 support level upward to correspond with the percentage rise in the parity index. The procedure is specified by law. The 1968 price support adjustment will be based on a comparison of the average of the parity index in 1965, 1966, and 1967 (3 most recent calendar years) with its level in 1959. If the parity index were to continue at its August level for the rest of 1967, the overall price support for 1968 crop flue-cured would be 11 percent above the 1959 level, and about 3 percent above the price support level for the current crop.

The Georgia-Florida auction markets (type 14)--always the first to open--began July 26 and final sales were held September 15. All flue-cured sold on these markets is untied. Gross sales (includes resales) totaled over 224 million pounds--30 percent more than in the 1966 season, when production in the Georgia-Florida Belt was smallest in 8 years. Prices for 1967 marketings in this Belt averaged 65½ cents per pound--4.4 cents below the 1966 record average, and ½ cent below 1965 but above all other years.

Auction markets in the other Belts opened as follows: South Carolina-Border North Carolina (type 13)--9 markets on August 3, and 10 markets on August 10; Eastern North Carolina (type 12)--August 24; Middle Belt--North Carolina-Virginia (type 11-b)--September 7; Old Belt--North Carolina-Virginia (type 11-a)--September 25. For gross sales (includes resales) through September 21, type 13 prices averaged 66.4 cents

per pound--3.0 cents below the comparable period of 1966; type 12 prices averaged 65.4 cents per pound--2.6 cents below 1966; type 11-b averaged 64.2 cents--slightly below 1966.

In the types 11-13 flue-cured markets this season, price support is available on untied tobacco of all grades during the first 95 hours of selling time scheduled in each market. Last season, price support on untied tobacco sold in these markets was limited to the first 59 hours of selling time. Price support on untied tobacco is 3 cents per pound lower than for tied tobacco of the corresponding grade--the same differential as in the 1966 and 1965 seasons. Tied tobacco receives price support throughout the season on types 11-13 markets.

For all Belts combined, the quantity of tobacco placed under Government loan for price support through September 21 was 62 million pounds--about 10 percent of marketings; in the comparable period of the 1966 season, less than 1 percent went under loan, but for the entire season the percentage was nearly 7 percent.

Burley, Type 31

Domestic Use and Exports

Domestic use of burley in the October 1966-September 1967 marketing year is estimated at about 560 million pounds--nearly 2 percent more than in 1965/66. Since 1958/59, domestic use of burley has trended upwards, reflecting increases in cigarette manufacture--the principal outlet for burley. The gain in domestic use has been moderated to some extent by the decline in manufacture of smoking tobacco and plug and twist chewing tobaccos--secondary outlets for burley. Domestic use of burley in 1967/68 is expected to show some increase over 1966/67.

Burley exports in 1966/67 may reach a new high of around 60 million pounds (farm-sales weight)--3 million more than the previous year. During October 1966-July 1967, burley exports (on a farm-sales weight basis) were up 11 percent. The proportion of the total exported in stemmed form continued to gain. Exports to West Germany--the leading foreign market for U.S. burley--jumped 41 percent and exceeded the total for the full 1965/66 marketing year. Sharply higher exports than a year earlier were also made to Thailand, Italy, Sweden, the Netherlands, Denmark, Switzerland, Finland, Norway, and Austria. Shipments to Portugal were up moderately. Exports declined to Chile, Republic of the Congo, Philippine Republic, Australia, Belgium, Hong Kong, Mexico, and Tunisia.

Growing popularity of American-type blended cigarettes abroad has increased world demand for burley. This should favor U.S. burley exports. However, U.S. burley faces increased competition, since production in foreign countries has risen sharply and several have increased output expressly for export. Foreign exporters of burley include Japan, Italy, South Korea, Mexico, and Greece.

1967/68 Supplies

Carryover of burley on October 1, 1967, is estimated at about 1,362 million pounds, down a little from a year earlier. The September estimate of the 1967 crop is 546 million pounds--7 percent below 1966. Acreage for harvest is estimated to be about the same as last year, but the average yield per acre is indicated to be below last year's record level.

The 1967/68 total supply of burley (indicated carryover plus the new crop) is 1,908 million pounds--about 4 percent below a year earlier and 5 percent below 2 years earlier. Prospective 1967/68 supplies are equal to about 3.0 times probable disappearance--down from the 3.2 ratio in 1966/67 and the peak of 3.5 in 1963/64. The desirable ratio (based on the legislative formula) is 2.8. Carryover stocks on October 1, 1968, will likely show a further reduction from this year's estimated level.

Government loan stocks of burley on August 31, 1967, amounted to 282 million pounds (farm-sales weight equivalent), compared with 266 million pounds a year earlier and about 319 million 2 years earlier. Of total Government holdings at the end of August 1967, about 5 million pounds have been sold.

The 1968 burley marketing quota and acreage allotment (under the acreage allotment program now in effect) will be announced by the Secretary of Agriculture by February 1, 1968. Shortly after the announcement, a referendum will be held for growers to decide whether they favor continuation of the acreage allotment program. Approval by at least two-thirds of the farmers voting is necessary before marketing quotas can continue in effect. In the last referendum on marketing quotas on an acreage allotment basis (February 1965), 99 percent of the growers voting approved quotas for their next 3 crops.

An acreage-poundage program was offered to burley growers in 1966 for the 1966-68 crops, and again earlier this year for the 1967-69 crops. In these referendums, 57 percent and 59 percent, respectively, favored the change--short of the more than two-thirds majority necessary to place an acreage-poundage program into effect. Under the law, an acreage-poundage program cannot be offered again for burley until the 1969 crop. (See March 1967 Tobacco Situation, page 31.)

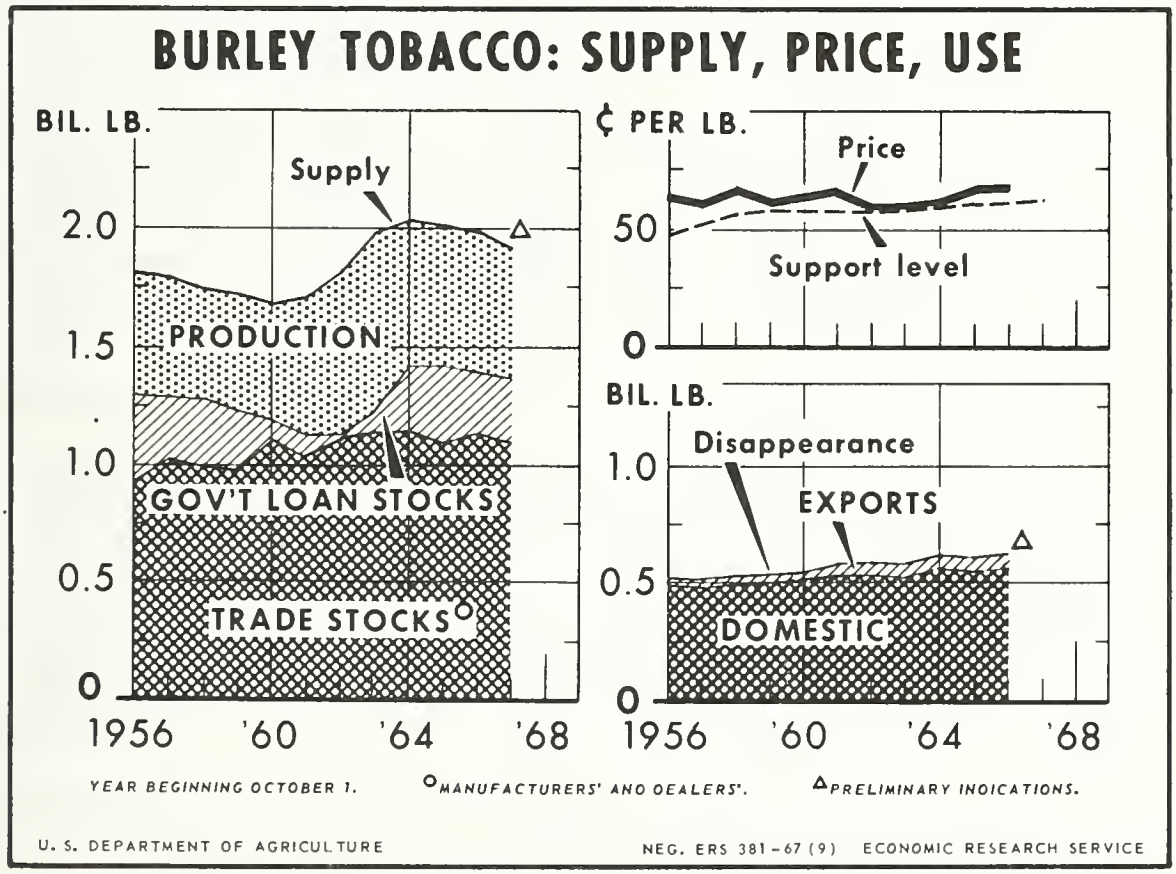

Table 21.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	616	560	56
1965	586	1,416	2,002	607	550	57
1966	587	1,395	1,982	*620	*560	*60
1967 2/	546	*1,362	*1,908			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1967 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	58.6	46.2	73.1	15.6	0
1956	63.6	48.1	6.0	1.2	0
1957	60.3	51.7	16.6	3.4	0
1958	66.1	55.4	11.2	2.4	0
1959	60.6	57.2	13.2	2.6	0
1960	64.3	57.2	8.4	1.7	0
1961	66.5	57.2	10.3	1.8	0
1962	58.6	57.8	63.5	9.4	24.0
1963	59.2	58.3	202.3	26.8	80.7
1964	60.3	58.9	110.4	17.8	74.4
1965	67.0	59.5	42.2	7.2	40.4
1966	66.9	60.6	62.5	10.6	62.5
1967		61.8			
Total	---	---	619.7	---	5/282.0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.
5/ About 5 million pounds of these holdings have been sold.

* Preliminary estimates.

Price Supports and Prices

The price support level for 1967 burley is 61.8 cents a pound. Support levels for the 1968 crop of burley and other eligible kinds will be determined by comparing the average parity index for calendar 1965, 1966, and 1967 with the 1959 index and adjusting the respective 1959 support levels by the resulting percentage change. If the parity index for the rest of this year were to remain at its August level the overall support level for 1968 burley would be about 3 percent higher than the 61.8 cents in effect for the current crop. During 1962-65, the support level for burley rose about 1 percent a year, and in 1966 and 1967 it increased 2 percent each year. Price support cannot be made available for tobacco if growers disapprove marketing quotas.

The 1966 burley crop sold for an average price of 66.9 cents a pound--nearly equal to the previous year's record high. About 11 percent of the crop was placed under loan, a higher proportion than the preceding year but well below the large percentages in the 1963 and 1964 seasons.

Auction markets for sales of the burley crop usually begin in late November.

Maryland, Type 32 3/

Domestic Use and Exports

Domestic use of Maryland tobacco in 1966/67 is estimated at about 25 million pounds--not much different than the 8-year high of 1965/66. In recent years, domestic use has been at a higher level than in most years in the 1958-63 period, when domestic use trended downward despite increased cigarette manufacture--major outlet for Maryland tobacco. Estimates of the quantity of tobacco used in cigarette manufacture indicate the use of Maryland tobacco per 1,000 cigarettes has increased in recent years. Such use, however, is still well below the level of most of the 1950's. Certain grades of Maryland are also used as cigar filler in some cigars. The quantity used depends on availability and prices of desired grades.

Exports of Maryland tobacco in 1966/67 may approximate 14½ million pounds--almost a third above 1965/66, and the largest in 8 years. In the first 10 months of 1966/67, exports were 31 percent larger than a year earlier. Switzerland, accounting for nearly two-thirds of the total, increased takings 57 percent. There were also big percentage increases in exports to Portugal, Spain, and South Vietnam, and a slight increase in shipments to Belgium. But West Germany--second ranking outlet--reduced its takings about an eighth. Exports to the Netherlands and Denmark also dropped.

1967/68 Supplies

Carryover of Maryland tobacco on January 1, 1968, may be around 88 million pounds--around 2 million less than in 1966 and 1967. The September estimate of the 1967 Maryland crop is 38.4 million pounds--nearly 2 percent above estimated 1966 production. For the second year, acreage allotments are not in effect, since growers disapproved a marketing quota for the 1967 crop. Compared with 1966, this year's acreage is estimated to be down 11 percent, but the average yield per acre is indicated to be record high. This year's crop, plus the estimated carryover, will provide a 1967/68 supply of about 126½ million pounds--1 percent less than for the current marketing year.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year, October 1 through September 30. Disappearance is calculated on the October-September basis.

Table 22.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964	42.3	82.0	124.3	32.9	23.3	9.6
1965	38.5	90.1	128.6	35.7	24.7	11.0
1966	37.8	89.7	127.5	*39.5	*25.0	*14.5
1967 3/	38.4	*88.0	*126.4			

	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1967 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	50.8	No price support 6/			
1956	51.7	47.0	3.3	9.0	0
1957	44.9	48.0	5.9	15.3	1.4
1958	62.5	50.8	1.1	3.6	.1
1959	61.6	No price support 6/			
1960	63.8	50.8	1.6	4.6	.3
1961	62.0	50.8	3.7	9.5	.9
1962	55.8	51.3	6.0	14.8	2.5
1963	43.2	51.8	10.4	30.1	9.6
1964	62.0	52.3	4.2	10.1	3.7
1965	65.5	52.8	2.7	7.0	1.5
1966	7/48.7	No price support 6/			
1967		No price support 6/			
Total	---	---	38.9	---	20.0

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. 7/ Auction market average. * Preliminary estimates.

The 1968 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1, 1968. Shortly thereafter, a referendum will be held for Maryland growers to vote on whether or not they approve marketing quotas (on an acreage basis) for the 1968, 1969, and 1970 crops. Approval by at least two-thirds of the farmers voting is required by law for marketing quotas to be placed into effect. In the last 2 referendums, Maryland tobacco growers disapproved marketing quotas for their next 3 crops. In a February 1966 referendum, the favorable vote was about 42 percent; in February 1967, it was 61 percent--still short of the required two-thirds majority. In the last referendum in which marketing quotas were approved--February 1963--about 84 percent of those voting favored marketing quotas for their next 3 crops.

Price Support and Prices

The 1967 crop will not receive Government price support when it is marketed (mostly next spring and summer), since producers disapproved a marketing quota for that crop. If Maryland growers approve a marketing quota for the 1968 crop, it will be price-supported. The support level for 1968 Maryland tobacco will be determined in the same manner as for flue-cured (see page 39), but with consideration given to what would have been the 1959 support level for Maryland had a marketing quota been in effect on that year's crop. If the parity index for the remainder of this year stays at its August level, the overall support level for 1968 Maryland tobacco would be about 7 percent above the support level for the 1965 crop--the last produced under a marketing quota.

This year, auction sales for the 1966 Maryland crop began April 1 and ended June 30. Also, the Baltimore hogshead market opened for competitive bidding on April 13. Auction sales totaled 33.2 million pounds and averaged 48.7 cents a pound--down nearly 17 cents from the record average of the preceding season. Sales volume was a little smaller. Quality of offerings was poorer than the 1965 crop, due to a dry growing season. Government price support was not in effect for the 1966 crop, since growers disapproved marketing quotas.

In addition to the volume sold at this year's auction, about 2.1 million pounds had been received at the Baltimore hogshead market by September 21.

Fire-Cured, Types 21-23

Domestic Use and Exports

Disappearance of the fire-cured types in 1966/67 is estimated at near 56 million pounds--a little above 1965/66.

Domestic use is estimated to have risen approximately a tenth to 23 million pounds, due to an increase in the Kentucky-Tennessee types; estimated domestic use of the Virginia type declined some. The main outlet for the fire-cured types is in snuff manufacture, which has trended downward and is expected to continue its gradual decline. In October 1966-June 1967, snuff output was about 3 percent less than a year earlier. However, fire-cured is used in other products. A significant quantity is used in the manufacture of Italian (Toscani) cigars, which has gained in recent years.

Exports of fire-cured tobacco in 1966/67 are estimated at about 32 million pounds (farm-sales weight). Kentucky-Tennessee fire-cured exports were estimated to have been moderately below the relatively high year-earlier level; those of Virginia

Table 23.--Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	10.5	26.6	37.1	12.7	6.7	6.0
1956	10.7	24.4	35.1	10.3	4.8	5.5
1957	8.6	24.8	33.4	9.6	4.2	5.4
1958	9.4	23.8	33.2	10.7	5.3	5.4
1959	10.0	22.5	32.5	10.3	4.9	5.4
1960	8.9	22.2	31.1	10.2	4.0	6.2
1961	9.8	20.9	30.7	10.8	5.5	5.3
1962	9.5	19.9	29.4	9.2	4.1	5.1
1963	6.2	20.2	26.4	9.6	3.0	6.6
1964	9.1	16.8	25.9	10.3	4.0	6.3
1965	9.6	15.6	25.2	8.3	3.0	5.3
1966	7.5	16.9	24.4	*9.5	*2.5	*7.0
1967 2/	7.7	*15.0	*22.7			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1967 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	31.3	34.6	1.8	17.1	0
1956	39.5	36.1	1.7	15.9	0
1957	38.7	38.8	1.0	11.6	0
1958	36.9	38.8	2.2	23.4	0
1959	37.6	38.8	.8	8.1	.1
1960	39.4	38.8	.3	3.3	5/
1961	38.8	38.8	.9	9.8	.2
1962	38.8	39.2	1.2	12.6	.1
1963	35.5	39.6	.4	6.5	.4
1964	43.1	40.0	.3	3.3	.2
1965	39.9	40.4	1.0	10.4	.9
1966	41.2	41.1	.6	8.0	.6
1967		41.9			
Total	---	---	12.2	---	2.5

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. 5/ Less than 50,000 pounds.
* Preliminary estimates.

Table 24.--Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	54.7	110.5	165.2	52.0	24.6	27.4
1956	59.9	113.2	173.1	52.3	27.5	24.8
1957	41.9	120.8	162.7	53.3	29.5	23.8
1958	33.9	109.4	143.3	44.1	24.6	19.5
1959	43.1	99.2	142.3	41.1	22.5	18.6
1960	36.5	101.2	137.7	44.9	23.9	21.0
1961	43.3	92.8	136.1	46.7	17.2	29.5
1962	44.6	89.4	134.0	40.8	21.1	19.7
1963	49.7	93.2	142.9	41.4	19.6	21.8
1964	46.0	101.5	147.5	42.7	21.7	21.0
1965	36.6	104.8	141.4	45.6	18.0	27.6
1966	40.2	95.8	136.0	*46.0	*21.0	*25.0
1967 2/	36.5	*90.0	*126.5			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1967 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	38.4	34.6	7.9	14.4	0
1956	36.1	36.1	18.6	31.1	0
1957	36.4	38.8	13.9	33.1	0
1958	38.1	38.8	4.4	12.0	.3
1959	38.3	38.8	5.3	12.3	.9
1960	43.3	38.8	3.2	8.7	2.5
1961	40.2	38.8	5.1	11.8	2.9
1962	38.7	39.2	8.6	19.3	5.1
1963	36.9	39.6	13.0	26.2	5.4
1964	41.0	40.0	7.2	15.7	5.6
1965	43.6	40.4	2.3	6.3	2.1
1966	42.2	41.1	6.3	15.7	6.2
1967		41.9			
Total	---	---	95.8	---	31.0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

* Preliminary estimate.

fire-cured were estimated to have increased approximately a third to the largest since 1948-49. In the first 10 months of 1966/67, exports of Kentucky-Tennessee fire-cured were 13 percent below a year earlier. Larger exports than a year ago went to the Netherlands, Belgium, Sweden, and South Vietnam; but shipments to France, Switzerland, and Republic of the Congo dropped 38, 12, and 55 percent, respectively. None was reported exported to Tunisia, in contrast with around a half-million pounds a year earlier.

In the first 10 months of 1966/67, exports of Virginia fire-cured spurted 50 percent ahead of those a year earlier. Exports to Norway, accounting for over a third of the total, jumped 63 percent. Substantially more than a year ago also went to Sweden, West Germany, and the United Kingdom. Significant quantities were exported to South Vietnam, Tunisia, and Austria; in the like period of 1965/66, none had been shipped to these countries. Exports to Switzerland and New Guinea declined.

1967/68 Supplies

Carryover of Virginia fire-cured on October 1, 1967, is estimated at about 15 million pounds--nearly 2 million less than a year earlier. The September estimate of this year's crop is 7.7 million pounds--about 2 percent above 1966. Acreage for harvest is a little less than last year, but average yield per acre is indicated to be at a 6-year high. The 1967 acreage allotments for most farms are the same as 1966. The total 1967/68 supply of Virginia fire-cured--production plus indicated carryover--is estimated at 22.7 million pounds--7 percent below 1966/67 and the smallest in many years.

The October 1, 1967, carryover of Kentucky-Tennessee fire-cured is estimated at 90 million pounds--about 6 million below a year earlier. The September estimate of this year's crop is 36½ million pounds--9 percent smaller than 1966. Acreage for harvest is estimated to be down some, though acreage allotments for most farms are the same as last year. The average yield per acre is indicated to be moderately below the previous year's peak but is still the third highest on record. The 1967/68 supply of Kentucky-Tennesse fire-cured is estimated at 126½ million pounds--7 percent less than the previous year.

Combined supplies of the fire-cured types for 1967/68 are about 149 million pounds--7 percent below a year earlier and 11 percent below 2 years earlier. Carryover on October 1, 1968, will likely show a further decline from the current level.

The 1968 marketing quotas (on an acreage basis) for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1, 1968. Marketing quotas for the 1967, 1968, and 1969 crops had been approved by growers of the 3 types in a February 1967 referendum.

Price Supports and Prices

The overall support level for 1967 fire-cured is 41.9 cents a pound. The support level for 1968 fire-cured will be determined in the same manner as for flue-cured. (See page 39 .) Should the parity index for the rest of this year remain at the August level, the overall support level for 1968 fire-cured would be about 3 percent higher than the 41.9 cents a pound in effect for the current crop. In 1962-65, the support level for fire-cured tobacco rose 1 percent a year, and in 1966 and 1967, advanced 2 percent each year.

The 1966 season's average price for the combined fire-cured types was 42.1 cents a pound--2 percent below the preceding year. Virginia fire-cured prices averaged 41.2 cents--3 percent above 1965 and second highest on record. The season's average for Kentucky-Tennessee type 22 was 42.9 cents--a decline of 4 percent from the previous season's record. For Kentucky-Tennessee type 23, the 1966 season's average of 40.2 cents dipped 2 percent below 1965, but was still third highest on record.

Loan placements of 1966-crop Virginia fire-cured tobacco were about 621,000 pounds (about 8 percent of the crop), substantially less than in the previous year, but above the 1963 and 1964 seasons. Placements of types 22 and 23 under loan amounted to 5.4 million and 0.9 million pounds (18 percent and 9 percent of the respective crops)-sharply higher than the previous year.

Dark Air-Cured and Sun-Cured, Types 35-37

Domestic Use and Exports

Total disappearance of dark air-cured in 1966/67 is estimated at 24½ million pounds--around 2½ million pounds more than in 1965/66.

Domestic use is estimated at about 19½ million pounds--up a tenth from the preceding year. Indications are that domestic use of types 35-36 recovered from the reduced level of the previous year, although use of type 37 may have declined some.

The major outlet for dark air-cured tobacco in this country is in the manufacture of plug, twist, and fine-cut chewing tobacco. In October 1966-June 1967, output of these products was slightly below a year earlier.

Exports of dark air-cured and sun-cured (including allowance for Black Fat) is estimated at close to 5 million pounds (farm-sales weight)--approximately 1 million more than in 1965/66. In the first 10 months of 1966/67, exports of One Sucker leaf were 56 percent larger than a year earlier. Exports to Belgium and Republic of the Congo--principal markets in 1965/66--declined but this was more than offset by increased exports to South Vietnam and a sizable shipment to Tunisia, which had taken none a year earlier. Exports of Green River increased 32 percent from the like 1965/66 period, due mainly to a substantial shipment to Ghana. Exports to Australia and the United Kingdom declined.

In most recent years, over half of all air-cured exports have been made in the form of Black Fat, a semi-processed product intended especially for sale abroad. Black Fat exports averaged 4.7 million pounds in the 1956-60 marketing years, declined to an average of 3.8 million in 1961-64, and amounted to about 4 million in 1965/66. In the first 10 months of 1966/67, exports were 3 percent smaller than a year earlier. Substantially less went to Nigeria and Cameroon, while exports to Ghana, West Africa, Togo, and Spanish Africa increased.

1967/68 Supplies

October 1, 1967, stocks of dark air-cured and sun-cured are estimated at around 63 million pounds--about 1 to 2 million pounds less than last October. Carry-overs of both the Kentucky-Tennessee dark air-cured and Virginia sun-cured are likely to be down.

The September estimate of this year's crop combined is 20.2 million pounds--11 percent below 1966. Acreage for harvest of dark air-cured types 35-36 is estimated somewhat smaller than last year, and the average yield per acre is indicated to be down

Table 25.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	27.8	76.6	104.4	23.6	18.4	5.2
1956	30.7	80.8	111.5	34.0	23.4	10.6
1957	19.8	77.5	97.3	24.8	18.5	6.3
1958	16.1	72.5	88.6	25.0	17.5	7.5
1959	19.3	63.6	82.9	21.9	16.4	5.5
1960	18.2	61.0	79.2	22.0	17.3	4.7
1961	20.6	57.2	77.8	22.6	17.9	4.7
1962	22.5	55.2	77.7	19.5	16.5	3.0
1963	24.2	58.2	82.4	21.2	18.1	3.1
1964	22.7	61.2	83.9	22.0	18.0	4.0
1965	18.5	61.9	80.4	19.8	16.2	3.6
1966	21.3	60.6	81.9	*22.5	*18.0	*4.5
1967 2/	18.8	*59.5	*78.3			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1967 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	31.8	30.8	6.3	22.7	0
1956	34.0	32.1	6.6	21.5	0
1957	36.1	34.5	3.0	15.2	0
1958	38.4	34.5	.5	2.7	5/
1959	34.5	34.5	3.7	19.2	.2
1960	37.4	34.5	2.2	12.2	.1
1961	37.8	34.5	1.9	9.2	1.3
1962	36.2	34.8	4.1	18.2	3.0
1963	33.3	35.2	8.3	34.3	6.5
1964	37.0	35.5	3.7	16.3	3.4
1965	37.0	35.9	3.2	17.3	2.8
1966	37.3	36.6	4.7	22.1	4.7
1967		37.3			
Total	---	---	48.2	---	22.0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
5/ Less than 50,000 pounds.
* Preliminary estimates.

Table 26.--Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	3.3	4.2	7.5	2.9	2.1	0.8
1956	3.2	4.6	7.8	2.5	1.9	.6
1957	2.7	5.3	8.0	2.5	1.9	.6
1958	1.9	5.5	7.4	2.5	2.2	.3
1959	2.2	4.9	7.1	1.9	1.6	.3
1960	1.8	5.2	7.0	2.0	1.7	.3
1961	2.2	5.0	7.2	2.1	1.8	.3
1962	2.3	5.1	7.4	2.3	2.0	.3
1963	1.1	5.1	6.2	2.0	1.7	.3
1964	1.8	4.2	6.0	1.7	1.4	.3
1965	2.0	4.3	6.3	2.0	1.7	.3
1966	1.5	4.3	5.8	*1.9	*1.5	*.4
1967 2/	1.4	*3.9	*5.3			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1967
			Quantity	Percentage of crop	
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.
1955	25.3	30.8	72	2.2	0
1956	35.7	32.1	103	3.2	0
1957	34.0	34.5	11	.4	0
1958	36.8	34.5	29	1.5	0
1959	34.4	34.5	24	1.1	0
1960	37.9	34.5	5	.3	0
1961	39.8	34.5	7	.3	0
1962	37.4	34.8	59	2.6	0
1963	31.4	35.2	92	8.1	0
1964	41.2	35.5	16	.9	0
1965	39.2	35.9	75	3.8	0
1966	42.3	36.6	26	1.7	0
1967		37.3			
Total	---	---	519	---	0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

* Preliminary estimates

from last year's high. The 1967 acreage of type 37 is also estimated below last year's, although the indicated average yield is up from that of 1966. The 1967 allotments for most farms growing dark air-cured and sun-cured tobacco are about the same as in 1966.

Total 1967/68 supplies are estimated at about 83 million pounds--4 million less than for 1966/67. The supply of dark air-cured may be down 4 percent, while that of Virginia sun-cured may be down 9 percent. October 1, 1968, carryover of the combined types may show some decline from the current level.

By February 1, 1968, the Secretary of Agriculture will announce marketing quotas and acreage allotments for dark air-cured and Virginia sun-cured tobacco. Shortly thereafter, a referendum will be held for growers of Virginia sun-cured, type 37, to vote on whether they favor marketing quotas for their 1968, 1969, and 1970 crops. Approval by at least two-thirds of the growers voting will be required before marketing quotas can continue in effect. In the last referendum, held in February 1965, close to 98 percent of growers of type 37 who voted approved quotas for their next 3 crops. Producers of dark air-cured, types 35-36, approved marketing quotas for the 1967-69 crops in a February 1967 referendum.

Price Supports and Prices

The support level in effect for 1967 dark air- and sun-cured tobacco is 37.3 cents a pound. Government price support will continue for the 1968 crop of dark air-cured, and--providing marketing quotas are approved in the forthcoming referendum--for 1968 Virginia sun-cured. The support level for 1968 dark air-cured and sun-cured will be determined in the same manner as for flue-cured. (See page 39). Should the parity index for the remainder of this year stay at its August level, the overall support level for 1968 dark air-cured and sun-cured would be about 3 percent higher than the 37.3 cents in effect for the current crop.

Last season, the combined dark air-cured and sun-cured crop averaged 37.6 cents a pound--about 1 percent above the previous 2 years. Type 35 (One Sucker) averaged 37.8 cents--up 1 percent from the year before. Type 36 (Green River) averaged 36.3 cents--slightly above the previous year and second highest on record. The price average for 1966 Virginia sun-cured was a record 42.3 cents--8 percent above the average for the 1965 crop.

During the 1966 season, growers placed about the same quantity of One Sucker and Green River under loan--around 2.3 million pounds of each type. Placements were larger--both in quantity and as a percentage of the respective crop--than in either of the 2 preceding seasons. Loan placements of Virginia sun-cured, usually minor, amounted to 26,000 pounds--less than 2 percent of the crop.

Cigar Tobacco, Domestic and Imported

Domestic Use and Exports

Filler: The 1966/67 domestic use of Pennsylvania filler may top 56 million pounds-- up 5 million from a year earlier. The major proportion of Pennsylvania filler is used in cigar manufacture, but a sizable amount is used in the manufacture of scrap chewing tobacco. In the past year, use of Pennsylvania filler in reconstituted tobacco sheet has risen sharply. The 1966/67 domestic use of Puerto Rican filler--mainly in cigars--is estimated at 22 million pounds, down about 5 million from 1965/66 and smallest in many years. Domestic use of Ohio filler is indicated at about 6 million pounds--perhaps a little below 1965/66, and a 5-year low.

Exports of U.S. cigar filler tobacco in 1966/67 seem likely to be about 1-3/4 million pounds (farm-sales weight)--fairly close to the 16-year high of 1965/66. During October 1966-July 1967, shipments to South Vietnam and France--first and third ranking destinations--were up sharply, but shipments to Canada and the United Kingdom--second and fourth ranking destinations--were below a year earlier.

Use of imported tobacco: During October 1966-June 1967, the use of Philippine tobacco is estimated at about 20½ million pounds (farm-sales weight)--over 1 million above the comparable period of 1965/66. Data on imports for consumption during October 1966-July 1967 indicate the usings of Dominican, Brazilian, and Colombian at about 5.9, 4.9, and 4.3 million pounds, respectively. The indicated use of Dominican and Colombian tobaccos were down about 0.6 and 1.7 million pounds from the like period of a year earlier, but use of Brazilian tobacco was almost the same. Also, the use of Mexican tobacco at about 2.7 million pounds was near that of a year earlier. Indicated usings of Paraguayan tobacco at nearly 2 million pounds, and Indonesian tobacco at 1½ million pounds, both exceeded the year-earlier quantities. Use of Honduran tobacco at nearly 1 million pounds, and Argentine tobacco at 0.8 million pounds during October 1966-July 1967 also topped year-earlier quantities.

During October 1966-June 1967, use of Cuban tobacco from the relatively small stocks still on hand in this country was only about 1-3/4 million pounds (farm-sales weight), compared with 3-3/4 million in the comparable period of 1965/66. Annual use of Cuban tobacco in cigars in this country amounted to about 35 million pounds prior to the embargo imposed February 3, 1962. Stocks of Cuban tobacco in the United States had declined to 4.2 million pounds by July 1, 1967, in contrast with 49½ million pounds on January 1, 1962.

Binder: The 1966/67 disappearances of Connecticut Valley Broadleaf (type 51) and Connecticut Valley Havana Seed (type 52) are estimated at 3.5 and 2.4 million pounds, respectively--both lowest on record. Of the 5.9 million pounds total disappearance for these two types, domestic use of the combined types may account for 4 million and exports for about 1.9 million pounds. Domestic use appears to be down about one-fifth from a year earlier. During October 1966-July 1967, exports were about one-sixth below a year earlier. Moderately less went to Spain and shipments to West Germany were only about one-half as much as in the same period of 1965/66. However, a sizable shipment went to East Germany in contrast with none a year earlier, and more went to the Canary Islands. Less than a year earlier was exported to Canada.

The 1966/67 disappearances of Northern and Southern Wisconsin tobacco are estimated at about 9 million pounds for each type--moderately lower for the Northern type 55 and up slightly for the Southern type 54, compared with a year earlier. Domestic use of the combined types at about 17-3/4 million pounds is not markedly different than each of the two preceding years. The major outlet for these types is in the manufacture of chewing tobacco, which has remained stable in recent years. Of the comparatively small exports during October 1966-July 1967, the Netherlands took the major part. Exports to Canada were down, and none went to East Germany--the second ranking outlet in 1965/66.

Shade-grown wrapper: The disappearance of Connecticut Valley shade-grown wrapper during July 1966-June 1967 at 14 million pounds was a tenth larger than a year earlier. Domestic use at 10½ million pounds was an eighth larger than the 3-year low of 1965/66, and exports at 3½ million pounds (farm-sales weight) increased almost ¼ million pounds. The shipments to West Germany and United Kingdom--first and second ranking destinations in 1965/66-- rose; those to Canada (2nd ranking outlet in 1965/66) fell sharply. More Connecticut Valley wrapper than a year earlier went to East Germany, but much less to the Netherlands. About the same quantity went to Canary Islands in each of the past 2 years, but Finland took none in 1966/67 in contrast to a modest quantity in 1965/66.

Table 27.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
			Pennsylvania Seedleaf (type 41)				
1955	45.7	113.0	158.7	55.0	54.6	0.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	60.0	122.9	182.9	2/52.0	2/51.7	.3	23.5
1963	51.8	128.0	179.8	2/44.7	44.2	.5	21.0
1964	45.9	138.1	184.0	54.6	54.1	.5	27.0
1965	51.3	129.4	180.7	53.0	51.2	1.8	24.0
1966	40.2	127.7	167.9	*58.0	*56.3	*1.7	25.0
1967 3/	41.8	*110.0	*151.8				
			Ohio, Miami Valley (types 42-44)				
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.5	20.2	27.7	6.6	6.6		28.2
1963	6.8	21.1	27.9	8.7	8.7		27.1
1964	5.8	19.2	25.0	8.0	8.0		26.7
1965	5.4	17.0	22.4	6.2	6.2		26.2
1966	5.8	16.2	22.0	*6.0	*6.0		28.0
1967 3/	4.1	*16.0	20.1				
			Puerto Rico (type 46) 4/				
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	28.1	42.4	70.5	26.7	26.2	.5	31.6
1960	27.5	43.8	71.3	28.0	27.9	.1	33.7
1961	30.7	43.3	74.0	32.4	32.3	.1	36.8
1962	35.6	41.6	77.2	28.0	28.0	---	38.0
1963	32.0	49.2	81.2	29.8	29.6	.2	40.8
1964	37.9	51.4	89.3	26.7	26.7	---	37.2
1965	16.2	62.6	78.8	27.0	27.0	---	5/32.1
1966	12.2	51.8	64.0	*21.0	*21.0	---	5/30.9
1967 3/	17.0	*43.0	*60.0				

1/ Year beginning October 1. 2/ Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year. 3/ Subject to revision. 4/ Puerto Rican planting occurs late in calendar year. 5/ Excludes 6 cents per pound payment by Puerto Rican Government.

* Preliminary estimates.

The 1966/67 disappearance of Georgia-Florida shade-grown wrapper at 6.8 million pounds was a 6-year low--8 percent less than 1965/66. Domestic use at 6.1 million pounds was above the comparatively low 1965/66 quantity, but exports at 0.7 million pounds were down sharply, and lowest in many years. Shipments to West Germany--leading outlet--were only a little over one-third as much as a year earlier, and those to East Germany--second ranking outlet in 1965/66--were less than one-sixth as much as a year earlier. Canada took about as much Georgia-Florida wrapper as in 1965/66, but less went to Canary Islands, the Netherlands, Belgium, and Switzerland.

1967/68 Supplies

Filler: Pennsylvania filler (type 41) acreage is estimated at 8 percent below 1966, and probably smallest since the mid-1930's. As of September 1, the crop was indicated at 41.8 million pounds--4 percent higher than 1966 when it was lowest since 1953. The 1967 crop, plus the carryover of about 110 million pounds, will provide a total supply of nearly 152 million pounds for 1967/68--approximately 14 million less than for 1966/67, and smallest in 10 years.

Ohio filler (types 42-44) acreage is estimated to be lowest on record--22 percent below 1966, and 38 percent below the 1961-65 average. As of September 1, the crop was expected to be about 4.1 million pounds--about 28 percent less than 1966. The 1967 crop plus a carryover of about 16 million pounds--probably a new low--will provide a total supply of 20.1 million pounds for 1967/68. It will be the smallest supply on record--probably down nearly 2 million from 1966/67.

Puerto Rico filler tobacco (type 46) is planted late in the calendar year and harvested in the early months of the following year. The Puerto Rican Government has announced a quota of 17 million pounds--about 4-3/4 million pounds more than the extremely small harvest early this year. The carryover of Puerto Rican filler on October 1 is estimated at 43 million pounds--nearly 9 million lower than a year earlier and probably a 5-year low. If production approximates the announced quota, the 1967/68 total supply may be nearly 60 million pounds--a long-time low--4 million less than 1966/67.

Imported cigar tobacco: July 1 stocks of foreign cigar tobaccos in the United States, compared with those on the corresponding date in each of the preceding three years, were as follows:

Country of origin	July 1 stocks--farm-sales weight			
	1964	1965	1966	1967
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Philippines	16.7	41.7	45.3	31.3
Colombia	20.3	19.7	13.8	13.9
Brazil	9.6	17.2	14.0	12.5
Dominican Republic	15.3	20.2	12.3	11.5
Indonesia	3.5	8.4	6.0	5.0
Cuba	17.3	11.9	6.8	4.2
Paraguay	2.8	4.1	4.1	2.0
Other	4.9	8.7	11.4	11.3
Total	90.4	131.9	113.7	91.7

Table 28 --Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
	Connecticut Valley Broadleaf (type 51)						
1955	12.1	33.4	45.5	14.7	14.3	0.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961	3.1	19.4	22.5	3.7	3.6	.1	43.3
1962	2.9	18.8	21.7	6.2	6.0	.2	53.5
1963	3.7	15.5	19.2	4.6	4.3	.3	51.0
1964	3.8	14.6	18.4	3.7	2/	2/	50.0
1965	3.5	14.7	18.2	4.3	2/	2/	46.5
1966	2.7	13.9	16.6	*3.5	2/	2/	51.0
1967 3/	2.0	*13.1	*15.1				
	Connecticut Valley Havana Seed (type 52)						
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962	2.4	11.0	13.4	3.3	2.6	.7	42.5
1963	2.3	10.1	12.4	4.1	2.8	1.3	41.6
1964	1.9	8.3	10.2	3.6	2/	2/	43.8
1965	1.5	6.6	8.1	2.7	2/	2/	44.5
1966	1.1	5.4	6.5	*2.4	2/	2/	49.0
1967 3/	.8	*4.1	*4.9				
	Total Connecticut Valley (types 51-52)						
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	9.0	8.1	.9	42.6
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962	5.3	29.8	35.1	9.5	8.6	.9	48.5
1963	6.0	25.6	31.6	8.7	7.1	1.6	47.5
1964	5.7	22.9	28.6	7.3	5.2	2.1	47.9
1965	5.0	21.3	26.3	7.0	4.9	2.1	45.9
1966	3.8	19.3	23.1	*5.9	*4.0	*1.9	50.4
1967 3/	2.8	*17.2	*20.0				

1/ Year beginning October 1.
2/ Breakdown between domestic use and exports not available for individual types of Connecticut Valley binder tobacco.
3/ Subject to revision.
* Preliminary estimates.

Table 29.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
	Southern Wisconsin (type 54)						
1955	6.7	29.0	35.7	10.3	9.9	0.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962	8.7	23.3	32.0	7.7	7.6	.1	29.3
1963	8.3	24.3	32.6	9.7	9.7	2/	30.0
1964	8.7	22.9	31.6	8.9	3/	3/	32.2
1965	8.5	22.7	31.2	8.8	3/	3/	29.7
1966	7.4	22.4	29.8	*9.0	3/	3/	34.3
1967 4/	7.0	*20.8	*27.8				
	Northern Wisconsin (type 55)						
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962	10.9	27.8	38.7	11.1	10.9	.2	29.1
1963	9.7	27.6	37.3	12.5	12.5	2/	31.6
1964	11.2	24.8	36.0	9.2	3/	3/	35.8
1965	10.8	26.8	37.6	9.4	3/	3/	28.9
1966	9.0	28.2	37.2	*9.0	3/	3/	32.4
1967 4/	8.3	*28.2	*36.5				
	Total Wisconsin (types 54-55)						
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962	19.6	51.1	70.7	18.9	18.6	.3	29.2
1963	18.0	51.9	69.9	22.2	22.2	2/	30.9
1964	19.9	47.7	67.6	18.1	17.5	.6	34.2
1965	19.3	49.5	68.8	18.2	17.9	.3	29.3
1966	16.4	50.6	67.0	*18.0	*17.7	* .3	33.3
1967 4/	15.4	*49.0	*64.4				

1/ Year beginning October 1.
2/ Negligible.
3/ Breakdown between domestic use and exports not available for individual types of Wisconsin tobacco.
4/ Subject to revision.
* Preliminary estimates.

July 1 stocks of foreign cigar tobaccos were down almost one-fifth from a year earlier, and were only a little above the level of 3 years earlier. The major decline since a year earlier was in stocks of Philippine tobacco--the leading cigar tobacco imported into the U.S. Stocks of Colombian tobacco remained near a year earlier, but were much lower than 2 and 3 years earlier. Stocks of Brazilian and Dominican tobaccos were moderately lower than a year earlier, and well below 2 years earlier.

During January-July 1967, general imports (total arrivals) of tobacco from the Philippine Republic were less than two-fifths as much as in the same period of 1966. Arrivals of Colombian tobacco about equalled those of a year earlier, and arrivals from Brazil rose over 50 percent above the small quantity of January-July 1966. Tobacco arrivals from the Dominican Republic were far above the extremely small entries in the year-ago period, but those from Mexico declined considerably. Tobacco arrivals from Honduras and Indonesia, rose relatively sharply, and those from Paraguay moderately.

Binder: Cigar binder tobacco acreage in the Connecticut Valley is estimated to be smallest on record--down 18 percent from 1966. As of September 1, production of Broadleaf and Havana Seed was indicated at 2.0 and 0.8 million pounds, respectively, new lows for both types. Carryover of both types are also likely at new lows. The 1967/68 total supply of Broadleaf may be about 15 million pounds--down more than $1\frac{1}{2}$ million from 1966/67; the total supply of Havana Seed at close to 5 million pounds also may be around $1\frac{1}{2}$ million below 1966/67. For both types, 1967/68 supplies will be lowest on record.

Acreages of Southern Wisconsin (type 54) and Northern Wisconsin (type 55) are estimated to be down 3 and 9 percent, respectively, from 1966. As of September 1, production of type 54--indicated at 7 million pounds--is 5 percent under last year's 10-year low; production of type 55--indicated at about 8.3 million pounds--is 7 percent under 1966 when it was lowest in 30 years. Carryover of type 54 is estimated at moderately less than a year ago, but carryover of type 55 is probably near that of a year ago. The 1967/68 total supply of type 54 at about 27.8 million pounds may be down 2 million from 1966/67, and over 4 million lower than the average of the preceding 5 years. The 1967/68 total supply of type 55 at about $36\frac{1}{2}$ million pounds is about $\frac{3}{4}$ million less than 1966/67, and 1.2 million less than the average of the preceding 5 years.

Wrapper: Acreage of Connecticut Valley wrapper is estimated at only slightly less than in 1966. As of September 1, production was indicated at 12.2 million pounds--$1\frac{1}{2}$ million below last year's but fourth largest on record. Carryover on July 1 at 16 million pounds was a little below the 5-year high of a year earlier. The 1967/68 total supply of Connecticut Valley wrapper at 28.2 million pounds is about $1\frac{3}{4}$ million below 1966/67, but nearly the same as the recent 5-year average.

Acreage of Georgia-Florida wrapper is estimated to be down 12 percent from last year's to a 4-year low. As of September 1, production was indicated to be 7.4 million pounds--slightly more than in 1966 due to more favorable yields per acre. Carryover on July 1 at 8.7 million pounds--up $\frac{1}{2}$ million from a year earlier--was a 4-year high. The 1967/68 total supply at 16.1 million pounds is nearly 4 percent larger than 1966/67 and largest since 1962/63.

Table 30.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
	Connecticut Valley Shade-grown (type 61)						
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	16.2	28.2	11.3	8.8	2.5	190.0
1961	10.3	16.9	27.2	12.0	8.7	3.3	235.0
1962	11.9	15.2	27.1	11.1	8.3	2.8	250.0
1963	12.0	16.0	28.0	14.1	10.0	4.1	260.0
1964	13.5	13.9	27.4	13.1	10.0	3.1	250.0
1965	14.6	14.3	28.9	12.6	9.3	3.3	250.0
1966	13.7	16.3	30.0	14.0	10.5	3.5	295.0
1967 2/	12.2	16.0	28.2				
	Georgia-Florida Shade-grown (type 62)						
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.7	17.0	6.5	5.5	1.0	200.0
1961	8.8	10.5	19.3	9.1	6.5	2.6	190.0
1962	7.4	10.2	17.6	8.5	6.4	2.1	205.0
1963	6.7	9.1	15.8	7.6	5.3	2.3	205.0
1964	7.6	8.2	15.8	8.5	7.3	1.2	235.0
1965	8.3	7.3	15.6	7.4	5.6	1.8	225.0
1966	7.3	8.2	15.5	6.8	6.1	.7	185.0
1967 2/	7.4	8.7	16.1				
	Total Shade-grown (types 61-62)						
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	23.9	45.2	17.8	14.3	3.5	194.0
1961	19.1	27.4	46.5	21.1	15.2	5.9	214.0
1962	19.3	25.4	44.7	19.6	14.7	4.9	233.0
1963	18.7	25.1	43.8	21.7	15.3	6.4	240.0
1964	21.1	22.1	43.2	21.6	17.3	4.3	245.0
1965	22.9	21.6	44.5	20.0	14.9	5.1	241.0
1966	21.0	24.5	45.5	20.8	16.6	4.2	257.0
1967 2/	19.6	24.7	44.3				

1/ Year beginning July 1.
2/ Subject to revision.

1968 Marketing Quotas and Acreage Allotments

By February 1, 1968, the 1968 marketing quotas and acreage allotments will be announced for (1) the Connecticut Valley binder types 51-52 and (2) Ohio filler types 42-44 and binder types 53-55, (predominantly Wisconsin). Growers of these kinds voted approval of marketing quotas on their 1966, 1967, and 1968 crops in referendums held in early 1966.

For Puerto Rico filler type 46, the Commonwealth Government of Puerto Rico has set quotas for many years.

Marketing quotas have never been in effect on Pennsylvania filler type 41. In accordance with the law, a referendum will be held in early 1968, in which growers of this type will vote on whether they favor or oppose marketing quotas on their 1968, 1969, and 1970 crops. Government price support cannot be made available on a kind of tobacco for which growers have disapproved marketing quotas.

The cigar wrapper types 61-62 are not covered by marketing quota legislation.

Prices and Price Support

Prices for the 1966 crops and overall levels of 1967 price supports for eligible cigar tobaccos are shown in table 31. The overall levels of 1968 price supports would be about 3 percent above 1967 if the parity index were to remain at its August level for the rest of the year. The parity index measures changes in prices paid by farmers, including interest, taxes, and wage rates.

The Tobacco Situation is published March, June, September and December.

The next issue is scheduled for release December 29, 1967.

Table 31.--Cigar tobacco types: Government price support levels 1964-67 and season average prices, 1964-66

Types	1964		1965		1966		1967
	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/
	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.
Puerto Rican filler, type 46	30.6	37.2	30.9	2/32.1	31.5	2/30.9	32.1
Conn. Valley Broadleaf, type 51	( ) ( ) (40.8)	50.0	( ) ( ) (41.2)	46.5	( ) ( ) (42.0)	51.0	( ) ( ) (42.8)
Conn. Valley Havana Seed, type 52	( ) ( )	43.8	( ) ( )	44.5	( ) ( )	49.0	( ) ( )
Ohio filler, types 42-44	( ) ( )	26.7	( ) ( )	26.2	( ) ( )	28.0	( ) ( )
So. Wis., type 54	(29.5) ( )	32.2	(29.7) ( )	29.7	(30.3) ( )	34.3	(30.9) ( )
No. Wis., type 55	( )	35.8	( )	28.9	( )	32.4	( )

1/ Support levels are adjusted to reflect the relative change between the 1959 parity index and the average of the parity index for the 3 most recent calendar years. 2/ Excludes 6 cents per pound payment by Puerto Rican Government.

Table 32.--Cigar tobacco price support operations, quantities placed under loan, 1955-66, and remaining under loan August 31, 1967

Crop	Puerto Rican, type 46	Ohio, types 42-44	Connecticut Valley, type 51	Connecticut Valley, type 52	Southern Wisconsin, type 54	Northern Wisconsin, type 55	Total
	Quantities placed under loan						
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	2.8	0.8	7.8	5.2	0.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	1/	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	2/ 7.1
1963	.6	.6	.2	1.3	1.0	3.1	6.8
1964	0	.1	.1	1.0	1/	.8	2.0
1965	1.8	.2	.9	.5	.6	3.2	7.2
1966	6.1	.2	.6	.3	.1	3.3	10.6
Total	20.6	2.5	18.2	16.5	8.1	26.9	2/92.8
	Remaining under loan as of August 31, 1967						
1960	0	0	0	0	0	0	0
1961	0	0	0	.6	0	0	.6
1962	0	0	0	.2	0	0	.2
1963	0	0	.1	.2	0	0	.3
1964	0	0	.1	.3	0	0	.4
1965	1.7	0	.5	.3	.6	3.0	6.1
1966	0	.2	.5	.2	.1	3.3	4.3
Total	1.7	.2	1.2	1.8	.7	6.3	11.9

1/ Negligible. 2/ Includes negligible amount from the 1962 crop of New York and Pennsylvania Havana Seed (type 53).

Table 33--Tobacco: Acreage and yield per acre in the United States, by types, or groups of types, for specified periods

Period	Flue-cured 11-14	Burley 31	Maryland 32	Fire-cured: Va. 21	Fire-cured: Ky.-Tenn. 22-23	Dark air-cured 35-36	Va. sun-cured 37	Cigar: Filler 41	Cigar: Filler 42-44	Cigar: Filler 46	Cigar: Binder 51-52	Cigar: Binder 54-55	Cigar: Wrapper 61-62	Total 1/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1950	958.4	408.3	50.0	9.8	43.1	25.5	3.2	37.3	7.8	37.0	18.9	22.1	13.7	1,636.0
1951	1,110.1	456.1	53.0	10.0	39.0	23.0	3.5	34.9	4.9	36.0	15.3	15.8	13.6	1,815.9
1952	1,111.3	463.5	50.0	9.8	37.6	22.9	3.4	23.7	5.7	36.7	15.1	15.1	13.1	1,808.5
1953	1,021.8	419.7	45.0	9.9	38.4	22.3	3.7	25.8	4.7	41.7	14.6	14.3	12.3	1,674.6
1954	1,042.2	420.9	50.0	10.0	42.0	21.8	4.1	29.2	4.6	38.0	14.4	15.0	13.0	1,705.5
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	36.1	13.4	14.3	12.9	1,531.5
1956	875.3	309.8	43.5	8.5	38.5	19.3	3.1	29.0	3.9	26.3	7.2	11.8	13.3	1,389.8
1957	662.7	306.6	37.0	6.9	29.7	14.5	2.6	29.0	3.6	26.5	4.3	11.6	13.1	1,148.3
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	24.2	2.9	13.0	12.9	1,102.1
1959	693.4	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	26.3	4.5	14.4	14.0	1,179.1
1960	691.8	295.7	37.5	7.3	25.9	13.0	1.8	31.0	4.3	28.5	3.8	14.6	14.6	1,170.0
1961	698.5	318.9	40.0	7.5	27.9	13.5	2.1	31.0	4.6	27.0	2.9	13.7	13.4	1,201.4
1962	729.8	338.6	41.0	7.6	28.5	13.9	2.2	30.0	4.2	28.5	2.6	12.1	13.2	1,252.6
1963	694.5	338.5	34.5	6.6	27.7	13.8	1.5	28.0	3.9	30.0	2.8	10.7	12.9	1,205.7
1964	627.6	306.6	39.0	7.3	24.8	12.4	1.7	27.0	3.7	30.8	2.8	10.9	13.8	1,108.6
1965	562.3	277.1	33.5	7.6	23.2	11.3	1.8	27.0	3.7	17.0	2.6	10.9	15.6	993.9
1966	604.3	240.7	36.0	6.0	21.0	10.7	1.4	24.0	3.2	9.0	1.8	9.3	14.6	982.2
1967 2/	629.6	240.7	32.0	5.9	20.1	10.4	1.3	22.0	2.8	3/14.4	1.5	8.7	13.8	1,003.1
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1950	1,312	1,222	800	1,310	1,054	983	1,120	1,500	1,350	689	1,670	1,446	1,130	1,256
1951	1,309	1,355	785	1,340	1,183	1,204	1,145	1,610	1,480	781	1,676	1,473	1,098	1,299
1952	1,229	1,403	805	1,250	1,223	1,314	1,100	1,600	1,550	935	1,620	1,447	1,124	1,266
1953	1,245	1,345	900	930	1,034	1,060	790	1,480	1,400	818	1,833	1,400	1,203	1,250
1954	1,261	1,586	875	1,060	1,229	1,395	900	1,670	1,750	895	1,754	1,530	1,264	1,336
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	831	1,643	1,469	1,213	1,451
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	913	1,849	1,712	1,290	1,583
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,008	1,940	1,709	1,442	1,475
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,058	1,867	1,682	1,283	1,599
1959	1,559	1,669	780	1,320	1,560	1,466	1,040	1,725	1,770	1,068	1,712	1,449	1,325	1,547
1960	1,808	1,639	925	1,220	1,411	1,403	995	1,700	1,535	965	1,826	1,431	1,460	1,685
1961	1,801	1,820	970	1,300	1,552	1,525	1,045	1,725	1,665	1,137	1,856	1,640	1,429	1,741
1962	1,930	1,993	990	1,255	1,566	1,619	1,040	2,000	1,775	1,249	2,014	1,621	1,464	1,876
1963	1,975	2,231	1,000	940	1,795	1,751	760	1,850	1,740	1,067	2,093	1,680	1,449	1,970
1964	2,211	2,022	1,085	1,245	1,854	1,828	1,060	1,700	1,555	1,231	2,021	1,821	1,530	2,044
1965	1,883	2,116	1,150	1,260	1,574	1,639	1,105	1,900	1,465	951	1,910	1,765	1,468	1,882
1966	1,834	2,437	1,050	1,255	1,919	1,987	1,065	1,675	1,800	1,354	2,111	1,758	1,440	1,937
1967 2/	2,034	2,270	1,200	1,300	1,815	1,807	1,100	1,900	1,650	n.a.	1,890	1,766	1,418	1,994

1/ Total includes Perique--type 72--and in 1950-53, type 53. 2/ Preliminary. 3/ Approximation based on reduction in quota. n.a.--not available.

Table 34.--Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1965 and 1966

State	1965 Tobacco	1965 Tobacco as: Percentage of crops	1965 Tobacco as: Percentage of all farm commodities	1966 1/ Tobacco	1966 1/ Tobacco as: Percentage of crops	1966 1/ Tobacco as: Percentage of all farm commodities
	Million dollars	Percent	Percent	Million dollars	Percent	Percent
North Carolina	455	58.7	38.8	519	63.7	40.1
Kentucky	255	76.8	37.8	240	73.4	33.8
South Carolina	88	31.3	22.0	88	34.0	22.2
Virginia	84	34.4	16.7	81	36.0	16.0
Tennessee	90	29.5	14.8	77	29.8	12.8
Georgia	79	19.0	8.2	72	18.8	7.1
Florida	27	3.6	2.7	26	3.5	2.5
Connecticut	26	41.9	16.8	29	43.3	17.3
Maryland	26	22.2	7.9	25	23.6	7.5
Pennsylvania	12	5.2	1.4	12	5.0	1.3
Ohio	10	2.3	.9	12	2.1	.9
Massachussets	10	13.5	6.1	11	14.1	6.4
Indiana	8	1.4	.6	8	1.2	.5
Wisconsin	7	3.9	.6	6	3.0	.4
Missouri	3	.7	.2	3	.6	.2
West Virginia	3	12.0	2.9	2	9.5	1.9
United States 2/	1,185	6.9	3.0	1,211	6.6	2.8

1/ Subject to revision. 2/ U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately. Detail may not add to total due to rounding.

Table 35.--Total expenditures for tobacco products, 1946-66

Year	Total	Cigarettes	Cigars	Other 1/	Year	Total	Cigarettes	Cigars	Other 1/
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.		Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1946	3,478	2,656	542	280	1956	5,481	4,681	556	244
1947	3,869	3,044	547	278	1957	5,877	5,072	562	243
1948	4,143	3,307	548	288	1958	6,182	5,341	584	257
1949	4,246	3,437	520	289	1959	6,764	5,854	629	281
1950	4,392	3,586	514	292	1960	7,187	6,244	649	294
1951	4,685	3,876	526	283	1961	7,472	6,538	631	303
1952	5,073	4,246	545	282	1962	7,608	6,675	634	299
1953	5,264	4,436	560	268	1963	8,004	7,055	649	300
1954	5,104	4,292	552	260	1964 2/	8,113	7,024	765	324
1955	5,217	4,409	550	258	1965 2/	8,651	7,609	734	308
					1966 2/	9,023	7,996	720	307

1/ Smoking, chewing, and snuff. 2/ Revised.

Table 36.--Federal, State, and local tax revenues from tobacco products for specified periods

Fiscal year	Federal: Cigarettes 1/	Federal: Cigars 2/	Federal: Chewing, smoking, and snuff	Federal: Total 3/	State: All tobacco products	Total Federal and State	Local Governments	Total Federal, State and local Governments
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average: 1950-54	1,422	45	30	1,497	445	1,942		
1955	1,504	46	20	1,571	460	2,931	49	2,080
1956	1,549	45	19	1,613	516	2,129	42	2,171
1967	1,611	45	18	1,674	558	2,232	48	2,280
1958	1,668	47	18	1,734	619	2,353	50	2,403
1959	1,738	51	17	1,807	677	2,484	53	2,537
1960	1,864	50	17	1,932	923	2,855	65	2,920
1961	1,924	50	17	1,991	1,001	2,992	76	3,068
1962	1,957	50	17	2,026	1,075	3,101	72	3,173
1963	2,011	50	16	2,079	1,124	3,203	64	3,267
1964	1,977	56	17	2,053	1,196	3,249	84	3,333
1965	2,070	61	17	2,149	1,284	3,433	102	3,535
1966	2,006	58	9	2,074	1,541	3,615	105	3,720
1967 4/	2,023	56	5/	2,080	1,610	3,690	6/	6/

1/ Includes large cigarettes. 2/ Includes small cigars and amounts on cigars from Puerto Rico covered into the Treasury of Puerto Rico. 3/ Includes cigarette papers and tubes, floor taxes, penalties, etc. 4/ Preliminary--State tax revenues estimated. 5/ Federal excise tax on chewing, smoking, and snuff repealed effective January 1, 1966. 6/ Local government collections for fiscal 1967 not yet available.

Compiled from reports of the Internal Revenue Service and the Bureau of Census.

STATISTICAL SUMMARY

Item	Unit or base period	1966 July	1966 August	1967 June	1967 July	1967 August	Last data as percentage of a year earlier
Average price at auctions							
Flue-cured	Ct. per lb.	67.9	69.2	Closed	66.4	67.0	97
Burley	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Maryland	Ct. per lb.	58.8	Closed	47.5	C - l - o - s - e - d		---
Virginia fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Virginia sun-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Support price 1/							
Flue-cured	Ct. per lb.	58.8			59.9		102
Burley	Ct. per lb.	60.6			61.8		102
Maryland	Ct. per lb.	No support			No support		---
Virginia fire-cured	Ct. per lb.	41.1			41.9		102
Ky.-Tenn. fire-cured	Ct. per lb.	41.1			41.9		102
Ky.-Tenn. dark air-cured	Ct. per lb.	36.6			37.3		102
Virginia sun-cured	Ct. per lb.	36.6			37.3		102
Connecticut Valley cigar binder	Ct. per lb.	42.0			42.8		102
Wis. binder and Ohio filler	Ct. per lb.	30.3			30.9		102
Puerto Rican filler	Ct. per lb.	31.5			32.1		102
Parity index 2/	1910-14=100	334	335	343	345	343	102
Industrial production index 3/	1957-59=100	157	158	156	157	158	100
Employment	Mil.	74.7	74.7	75.4	76.2	76.2	102
Personal income 4/	Bil. dol.	584.7	589.1	622.6	626.7	631.2	107
		1966 June	1966 July	1967 May	1967 June	1967 July	
Tax-paid removals							
Cigarettes	Bil.	48.6	37.9	48.1	48.1	41.4	109
Cigars	Mil.	697.7	575.1	748.1	614.8	572.9	100
Accumulated from Jan. 1							
Cigarettes	Bil.	262.7	300.7	217.0	265.2	306.5	102
Cigars	Mil.	4088.0	4663.2	3259.3	3874.1	4447.0	95
Invoiced to domestic customers		Jan.-June			Jan.-June		
Smoking tobacco	Mil. lb.	33.4			30.4		91
Chewing tobacco	Mil. lb.	32.1			32.2		100
Snuff	Mil. lb.	15.8			16.0		101
Tax-free removals							
Cigarettes	Bil.	3.8	3.6	4.3	5.3	4.1	114
Exports	Bil.	1.7	2.1	1.9	2.4	2.3	110
Cigars	Mil.	23.8	11.0	14.1	22.4	12.5	114
Accumulated from Jan. 1							
Cigarettes	Bil.	24.0	27.6	20.2	25.5	29.7	108
Exports	Bil.	11.7	13.9	9.7	12.1	14.4	104
Cigars	Mil.	110.8	121.8	78.2	100.6	113.1	93
Invoiced for export		Jan.-June			Jan.-June		
Smoking tobacco	Mil. lb.	.5			.6		120
Chewing tobacco	Mil. lb.	.4			.3		75
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)	1957-59=100	114.1	114.1	114.1	119.9	119.9	105
Cigars	1957-59=100	100.7	100.7	100.7	100.7	100.7	100
Smoking tobacco	1957-59=100	128.7	128.7	130.2	130.2	130.2	101
Plug chewing tobacco	1957-59=100	133.3	133.3	133.3	133.3	133.3	100
Snuff	1957-59=100	127.7	127.7	127.3	127.3	127.3	100
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)	1957-59=100	130.7			#133.5		102
Cigarettes (filter tip king)	Mar.1959=100	125.3			#127.4		102
Cigars (domestic reg. size)	1957-59=100	101.9			102.9		101
Imports of tobacco							
Cigarette leaf	Mil. lb.	11.7	10.3	11.6	15.2	11.2	109
Cigar tobacco 7/	Mil. lb.	5.4	5.5	5.1	6.2	6.0	109
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	68.6	78.9	59.9	75.1	86.4	110
Cigar tobacco 7/	Mil. lb.	31.6	37.1	23.9	30.1	36.1	97

See footnotes at end of table.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1966 June	1966 July	1967 May	1967 June	1967 July	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	23.9	39.7	44.8	35.9	23.9	60
Burley	Mil. lb.	5.4	5.6	4.6	3.2	6.2	111
Maryland	Mil. lb.	.5	1.8	2.4	.2	.9	50
Virginia fire- & sun-cured	Mil. lb.	.1	.2	.3	.1	.2	100
Ky.-Tenn. fire-cured	Mil. lb.	1.2	1.5	2.4	1.0	1.6	107
Ky.-Tenn. dark air-cured	Mil. lb.	*	*	.1	.8	.1	---
Black Fat	Mil. lb.	.4	.2	.4	.2	.5	250
Cigar wrapper	Mil. lb.	.2	.4	.3	.8	.4	100
Connecticut binder	Mil. lb.	.1	*	.4	.6	*	---
Wisconsin binder	Mil. lb.	*	*	*	0	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	423.1		551.2	587.1		139
Burley	Mil. lb.	40.0	45.6	41.3	44.5	50.6	111
Maryland	Mil. lb.	8.4	10.2	12.3	12.5	13.4	131
Virginia fire- & sun-cured	Mil. lb.	4.3	4.5	6.4	6.5	6.7	149
Ky.-Tenn. fire-cured	Mil. lb.	20.0	21.4	16.0	17.0	18.6	87
Ky.-Tenn. dark air-cured	Mil. lb.	1.5	1.5	1.4	2.1	2.2	147
Black Fat	Mil. lb.	3.2	3.4	2.6	2.8	3.3	97
Cigar wrapper	Mil. lb.	5.1		3.4	4.2		82
Connecticut binder	Mil. lb.	1.9	1.9	1.0	1.5	1.6	84
Wisconsin binder	Mil. lb.	.3	.3	.2	.2	.2	67
Cigar filler	Mil. lb.	1.1	1.1	1.1	1.3	1.3	118
Exports of manufactured tobacco in bulk	Mil. lb.	1.3	1.3	1.5	.9	2.7	208
Accumulated from Jan. 1	Mil. lb.	6.2	7.4	6.2	7.1	9.8	132
		Quarterly data					
		1966 Apr.-June	1966 July-Sept.	1967 Apr.-June	1967 July-Sept.		
Stocks of tobacco 9/							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,680	2,439	2,574	2,273		93
Burley	Mil. lb.	1,695	1,563	1,677	1,525		98
Maryland	Mil. lb.	81	108	82	104		96
Fire-cured	Mil. lb.	136	125	128	118		94
Dark air- and sun-cured	Mil. lb.	75	71	76	69		97
Cigar filler	Mil. lb.	221	214	207	192		90
Cigar binder	Mil. lb.	82	75	78	72		96
Cigar wrapper	Mil. lb.	29	24	28	25		104
Under Government loan 10/	Mil. lb.	1,238	1,189	1,131	**1,059		89
Tobacco sheet 11/							
Cigarette types	Mil. lb.	10.5	12.2	17.3	18.8		154
Cigar types	Mil. lb.	3.2	2.9	2.6	2.4		83
Foreign types (farm-sales wt.):							
Cigarette and smoking	Mil. lb.	353	365	392	405		111
Cigar	Mil. lb.	123	114	91	92		81
Tobacco outlets 12/							
Seasonally adjusted data, annual rates, for charts, p.2:							
Cigarettes							
Production	Bil.	567	560	605	571		102
Tax-paid removals	Bil.	521	522	550	529		101
Cigar production	Bil.	8.73	8.24	8.05	8.08		98
Smoking production	Mil. lb.	66.0	63.1	63.0	59.0		94
Chewing production							
Scrap	Mil. lb.	32.4	35.5	33.5	36.0		101
Plug and other	Mil. lb.	31.4	31.0	31.3	30.4		98
Snuff production	Mil. lb.	30.4	29.0	29.1	29.5		102
Exports of leaf							
Total	Mil. lb.	466	730	908	582		80
Flue-cured	Mil. lb.	392	604	796	470		78

1/ 1966 and 1967 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.
Wholesale price increase in June 1967 not yet reflected in June 1967 Consumer Price Index for cigarettes.
** Of this quantity about 150 million pounds had been sold. * Less than 50,000 pounds

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☆ U.S. GOVERNMENT PRINTING OFFICE: 1967 301-751 (ERS-45)